

*Department of Real Estate
of the
State of California*

In the matter of the application of

WILLIAM LYON HOMES, INC.,
a California corporation

**FINAL SUBDIVISION PUBLIC REPORT
CONDOMINIUM**

FILE NO.: 162238LA-F00

ISSUED: FEBRUARY 26, 2021

EXPIRES: FEBRUARY 25, 2026

for a Final Subdivision Public Report on

SANTEE TRACT NO. 2018-01, MAP NO. 16395
"RIVERVIEW" (PHASE 1)

DEPARTMENT OF REAL ESTATE

by A Prasad
Signature

ASHEEKA PRASAD

Printed Name

SAN DIEGO COUNTY, CALIFORNIA

CONSUMER INFORMATION

- ❖ This report is not a recommendation or endorsement of the subdivision; it is informative only.
- ❖ Buyer or lessee must sign that (s)he has received and read this report.
- ❖ A copy of this subdivision public report along with a statement advising that a copy of the public report may be obtained from the owner, subdivider, or agent at any time, upon oral or written request, *must* be posted in a conspicuous place at any office where sales or leases or offers to sell or lease interests in this subdivision are regularly made. [Reference Business and Professions (B&P) Code Section 11018.1(b)]

This report expires on the date shown above. All material changes must be reported to the Department of Real Estate. (Refer to Section 11012 of the B&P Code; and Chapter 6, Title 10 of the California Administrative Code, Regulation 2800.) Some material changes may require amendment of the Public Report; which Amendment must be obtained and used in lieu of this report.

Section 12920 of the California Government Code provides that the practice of discrimination in housing accommodations on the basis of race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, veteran or military status, or genetic information is against public policy.

Under Section 125.6 of the B&P Code, California real estate licensees are subject to disciplinary action by the Real Estate Commissioner if they discriminate or make any distinction or restriction in negotiating the sale or lease of real property because of the race, color, sex, religion, ancestry, national origin, disability, medical condition, genetic information, marital status, sexual orientation, or physical handicap of the client. If any prospective buyer or lessee believes that a licensee is guilty of such conduct, (s)he should contact the Department of Real Estate.

Read the entire report on the following pages before contracting to buy or lease an interest in this subdivision.

COMMON INTEREST DEVELOPMENT GENERAL INFORMATION

Common Interest Development

The project described in the attached Subdivision Public Report is known as a common-interest development. Read the Public Report carefully for more information about the type of development. The development includes common areas and facilities which will be owned and/or operated by an owners' association. Purchase of a lot or unit automatically entitles and obligates you as a member of the association and, in most cases, includes a beneficial interest in the areas and facilities. Since membership in the association is mandatory, you should be aware of the following information before you purchase:

Governing Instruments

Your ownership in this development and your rights and remedies as a member of its association will be controlled by governing instruments which generally include a Declaration of Restrictions (also known as CC&R's), Articles of Incorporation (or association) and bylaws. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law. Study these documents carefully before entering into a contract to purchase a subdivision interest.

Assessments

In order to provide funds for operation and maintenance of the common facilities, the association will levy assessments against your lot or unit. If you are delinquent in the payment of assessments, the association may enforce payment through court proceedings or your lot or unit may be liened and sold through the exercise of a power of sale. The anticipated income and expenses of the association, including the amount that you may expect to pay through assessments, are outlined in the proposed budget. Ask to see a copy of the budget if the subdivider has not already made it available for your examination.

Common Facilities

A homeowner association provides a vehicle for the ownership and use of recreational and other common facilities which were designed to attract you to buy in this development. The association also provides a means to accomplish architectural control and to provide a base for homeowner interaction on a variety of issues. The purchaser of an interest in a common-interest development should contemplate active participation in the affairs of the association. He or she should be willing to serve on the board of directors or on committees

created by the board. In short, "they" in a common interest development is "you". Unless you serve as a member of the governing board or on a committee appointed by the board, your control of the operation of the common areas and facilities is limited to your vote as a member of the association. There are actions that can be taken by the governing body without a vote of the members of the association which can have a significant impact upon the quality of life for association members.

Subdivider Control

Until there is a sufficient number of purchasers of lots or units in a common interest development to elect a majority of the governing body, it is likely that the subdivider will effectively control the affairs of the association. It is frequently necessary and equitable that the subdivider do so during the early stages of development. It is vitally important to the owners of individual subdivision interests that the transition from subdivider to resident-owner control be accomplished in an orderly manner and in a spirit of cooperation.

Cooperative Living

When contemplating the purchase of a dwelling in a common interest development, you should consider factors beyond the attractiveness of the dwelling units themselves. Study the governing instruments and give careful thought to whether you will be able to exist happily in an atmosphere of cooperative living where the interests of the group must be taken into account as well as the interests of the individual. Remember that managing a common interest development is very much like governing a small community ... the management can serve you well, but you will have to work for its success. [B & P Code Section 11018.1(c)]

Informational Brochure

The Department of Real Estate publishes the *Living in a California Common Interest Development* brochure. The information in this brochure provides a brief overview of the rights, duties and responsibilities of both associations and individual owners in common interest developments. To review or obtain a *free* copy of this brochure, please visit the Department of Real Estate (DRE) website: www.dre.ca.gov.

SPECIAL NOTES

THIS FINAL REPORT FOR RIVERVIEW (THE "SUBDIVISION" or "COMMUNITY") COVERS RESIDENTIAL UNITS 51 THROUGH 60 LOCATED ON A PORTION OF LOT 1 OF SANTEE TRACT NO. 2018-01, MAP NO. 16395, AND ANY ASSOCIATION PROPERTY ("ASSOCIATION PROPERTY") AS THAT TERM IS DEFINED ON THE CONDOMINIUM PLAN FOR THIS PHASE. THE PROJECT IS BEING DEVELOPED BY WILLIAM LYON HOMES, INC., A CALIFORNIA CORPORATION (THE "SUBDIVIDER" or "DECLARANT")

SPECIAL INTEREST AREAS IN THIS FINAL SUBDIVISION PUBLIC REPORT: YOUR ATTENTION IS ESPECIALLY DIRECTED TO THE PARAGRAPH(S) BELOW ENTITLED: CONDITIONAL SUBDIVISION PUBLIC REPORT, MANGEMENT AND OPERATION, MAINTENANCE AND OPERATIONAL EXPENSES, USES/ZONING/HAZARD DISCLOSURES, TAXES, PURCHASE MONEY HANDLING AND SOILS AND GEOLOGIC CONDITIONS.

NOTE: IN ADDITION TO THESE AREAS, IT IS IMPORTANT TO READ AND THOROUGHLY UNDERSTAND THE REMAINING SECTIONS SET FORTH IN THIS FINAL SUBDIVISION PUBLIC REPORT PRIOR TO ENTERING INTO A CONTRACT TO PURCHASE.

BEFORE SIGNING YOU SHOULD READ AND THOROUGHLY UNDERSTAND ALL SALES CONTRACT AND LOAN DOCUMENTS. IF YOU DO NOT UNDERSTAND THE TERMS OF YOUR CONTRACT OR LOAN DOCUMENTS, YOU MAY WISH TO CONSIDER CONSULTING WITH YOUR OWN ATTORNEY BEFORE ENTERING INTO A CONTRACT TO PURCHASE THE PROPERTY.

CONDITIONAL SUBDIVISION PUBLIC REPORT: IF YOU ENTERED INTO A PURCHASE AGREEMENT/CONTRACT TO PURCHASE OR LEASE AN INTEREST IN THE SUBDIVISION UNDER AUTHORITY OF A CONDITIONAL SUBDIVISION PUBLIC REPORT ("**CONDITIONAL PUBLIC REPORT**"), THE PURCHASE AGREEMENT/CONTRACT AND THE ESCROW INSTRUCTIONS CONTAINED ARRANGEMENTS FOR THE RETURN TO YOU OF MONIES PAID OR ADVANCED IF YOU ARE DISSATISFIED WITH THIS FINAL SUBDIVISION PUBLIC REPORT ("**FINAL PUBLIC REPORT**") BECAUSE OF A MATERIAL CHANGE IN THE SETUP OF THE OFFERING COVERED BY BUSINESS AND PROFESSIONS CODE SECTION 11012. YOU ARE ADVISED TO CAREFULLY READ THIS FINAL PUBLIC REPORT SINCE IT CONTAINS INFORMATION THAT IS MORE CURRENT AND POSSIBLY DIFFERENT FROM THAT INCLUDED IN THE CONDITIONAL PUBLIC REPORT.

PRELIMINARY SUBDIVISION PUBLIC REPORT ("PRELIMINARY PUBLIC REPORT"): IF YOU HAVE RECEIVED A PRELIMINARY PUBLIC REPORT FOR THIS SUBDIVISION, YOU ARE ADVISED TO CAREFULLY READ THIS FINAL

PUBLIC REPORT SINCE IT CONTAINS INFORMATION THAT IS MORE CURRENT AND PROBABLY DIFFERENT FROM THAT INCLUDED IN THE PRELIMINARY PUBLIC REPORT.

THE USE OF THE TERM "PUBLIC REPORT" SHALL MEAN AND REFER TO THIS FINAL PUBLIC REPORT.

OVERVIEW OF SUBDIVISION

Location:

This Subdivision is located at Town Center Parkway and Riverview Parkway within the city limits of Santee, California. Prospective purchasers should acquaint themselves with the kinds of city services available.

Type of Subdivision:

This Subdivision is a common-interest development of the type referred to as a condominium. It will be operated by an incorporated association.

Interests to Be Conveyed:

You will receive fee title to a unit, an undivided fractional fee interest as a tenant in common in the common area together with a membership in the Riverview Community Association ("Association") and rights to use the Association Property and Association Maintenance Areas.

About This Phase:

This is the first phase which consists of approximately 0.448 acres on which 1 building containing 10 units, each with attached two-car garages will be constructed on a portion of Lot 1 of Santee Tract No. 2018-01, Map No. 16395.

Common amenities and/or facilities consisting of the buildings, landscaping, paved surfaces, decks/balconies, deck railings and lighting will be constructed on a portion of Lot 1 of Santee Tract No. 2018-01, Map No. 16395.

Additional common amenities and/or facilities consisting of a Recreation Facility and a Tot Lot will be constructed in later phases. The estimated completion dates are April 2021 and December 2021, respectively.

This phase is part of a total Subdivision which, if developed as proposed, will consist of multiple phases containing 128 units within the overall projected Subdivision.

There is no assurance that the total Subdivision will be completed as proposed.

FUTURE DEVELOPMENT OF THE SUBDIVISION CANNOT BE PREDICTED WITH ACCURACY. THE SUBDIVIDER HAS THE RIGHT TO BUILD MORE OR FEWER THAN THE NUMBER OF HOMES CURRENTLY PLANNED, CHANGE PRODUCT LINES, ENLARGE OR DECREASE THE SIZE OF HOMES, ADDING LARGER, SMALLER OR DIFFERENTLY DESIGNED MODELS OR CHANGING (PARTIALLY OR IN TOTAL) DESIGNS AND/OR MATERIALS, AT ANY POINT DURING DEVELOPMENT.

DUE TO THE INABILITY TO PREDICT FUTURE MARKET CONDITIONS WITH ACCURACY, THERE ARE NO ASSURANCES THAT THE SUBDIVISION WILL BE BUILT AS CURRENTLY PLANNED, OR PURSUANT TO ANY PARTICULAR BUILD-OUT SCHEDULE. TOPOGRAPHICAL MAPS IN THE SALES OFFICE, LOT PLOTTING MAPS, MAPS OFFERED BY SUBDIVIDER AND OTHER FORMS SHOWING "COMPLETE" SUBDIVISION PROJECTIONS DO NOT NECESSARILY COMMIT THE SUBDIVIDER TO COMPLETE THE SUBDIVISION OR, IF COMPLETED, TO COMPLETE THE SUBDIVISION AS SHOWN. THE SUBDIVIDER MAY SELL AT ANY TIME, ALL OR ANY PORTION OF THE LOTS WITHIN THE SUBDIVISION TO ANY THIRD PARTY, INCLUDING OTHER DEVELOPERS OR BUILDERS.

Sale of All Residences:

The Subdivider has indicated that it intends to sell all of the units in this Subdivision; however, any owner, including the Subdivider, has a legal right to rent or lease the units.

Subdivider and Purchaser Obligations:

IF YOU PURCHASE FIVE OR MORE CONDOMINIUM UNITS FROM THE SUBDIVIDER, THE SUBDIVIDER IS REQUIRED TO NOTIFY THE REAL ESTATE COMMISSIONER OF THE SALE. IF YOU INTEND TO SELL YOUR INTERESTS OR LEASE THEM FOR TERMS LONGER THAN ONE YEAR, YOU ARE REQUIRED TO OBTAIN AN AMENDED FINAL PUBLIC REPORT BEFORE YOU CAN OFFER THE LOTS FOR SALE OR LEASE.

NOTE: WHEN YOU SELL YOUR CONDOMINIUM UNIT TO SOMEONE ELSE, YOU MUST GIVE THAT PERSON A COPY OF THE DECLARATION OF RESTRICTIONS, ARTICLES OF INCORPORATION, BYLAWS AND A TRUE STATEMENT CONCERNING ANY DELINQUENT ASSESSMENTS, PENALTIES, ATTORNEY'S FEES OR OTHER CHARGES, PROVIDED BY THE RESTRICTIONS OR OTHER MANAGEMENT DOCUMENTS ON THE CONDOMINIUM UNIT AS OF THE DATE THE STATEMENT WAS ISSUED.

WARNING: IF YOU FORGET TO DO THIS, IT MAY COST YOU A PENALTY OF \$500.00 – PLUS ATTORNEY'S FEES AND DAMAGES (CIVIL CODE SECTION 4540).

Completion of Common Area:

The Subdivder has posted bonds with the City of Santee totaling \$1,007,768.00 to assure lien free completion of the private streets.

The Subdivider has posted the following bonds in amounts acceptable to the Department of Real Estate to assure lien free completion of:

Recreation Facility. The Recreation Facility located on a portion of Lot 1 of Santee Tract No. 2018-01, Map No. 16395 as described in the Planned Construction Statement. The estimated completion date is April 2021.

Tot Lot. The Tot Lot located on a portion of Lot 1 of Santee Tract No. 2018-01, Map No. 16395 as described in the Planned Construction Statement. The estimated completion date is December 2021.

The Subdivider estimates all common facilities in this phase will be completed by approximately March 2021.

No escrows will close in this phase until completion of all common area improvements, amenities, and facilities or, as an alternative, the Subdivider has submitted a bond or other security acceptable to the Department of Real Estate under the provisions of Section 11018.5 of the Business and Professions Code to assure lien free completion of all common areas and common amenities in this phase.

This is a phased subdivision on one lot.

The Subdivider of this subdivision has not furnished any financial guarantees that any residential units other than those in Building No. 6 will be completed.

If the Subdivider does not complete the remaining residential units in exact accordance with the recorded condominium plan, the interest your purchase in this subdivision may not be qualified for refinancing which would make the unit you purchase unmarketable.

Prior to entering into a purchase agreement/contract, you should consult an attorney for advice.

The Subdivider advises that each purchaser and the Association will receive fee title endorsement insuring him/her against future mechanics liens which may be incurred in the construction of units in the additional phases of this one lot subdivision. The title endorsement provides that the total liability of the title company is limited to the face amount of the title policy only. The insurance will contain the following endorsement:

“The Company hereby insures the insured against loss or damage which the insured shall sustain by reason of:

any statutory lien for labor or materials attaching to the Land, arising out of any work of improvement under construction or completed at the date of policy as to the condominium building in which the insured's separate unit is located, and/or by reason of statutory lien for labor or materials attaching to the Land arising out of any work of improvement within a portion of Lot 1 of Santee Tract No. 2018-01, Map No. 16395 whether such improvements have been completed, are under construction or are to be constructed after the Policy Date."

Should the owner of a unit in this subdivision sell his/her unit to another purchaser prior to the completion of the final phases, he/she should inform the new purchaser that a special future mechanic lien endorsement should be obtained from their title insurance company.

NOTWITHSTANDING ANY PROVISION IN THE PURCHASE AGREEMENT TO THE CONTRARY, A PROSPECTIVE BUYER HAS THE RIGHT TO NEGOTIATE WITH THE SELLER TO ALLOW AN INSPECTION OF THE PROPERTY BY THE BUYER OR THE BUYER'S DESIGNEE UNDER TERMS MUTUALLY AGREEABLE TO THE PROSPECTIVE BUYER AND SELLER.

MANAGEMENT AND OPERATION:

Association Obligations and Governing Documents: The Association, of which you become a member at time of purchase, is governed by and manages, maintains and operates the subdivision in accordance with the Covenants, Conditions and Restrictions ("**CC&Rs**"), the Articles of Incorporation ("**Articles**") and the Bylaws. In addition, the Association has the right to adopt rules and regulations and guidelines for the subdivision and which will include subdivision design/architectural guidelines which will set forth the guidelines and procedures for design/architectural review within the subdivision. There may also be supplementary declarations or notices of annexation ("**Supplementary Declarations**") which will be recorded against portions of the subdivision which may set forth additional restrictions and easements covering the areas covered by the Supplementary Declaration(s) (the CC&Rs, Bylaws, Articles, Supplementary Declaration(s) and rules and regulations and design/architectural guidelines may hereinafter be referred to as the "**Governing Documents**"). You should review each of these documents carefully.

Initial Meeting: THE ASSOCIATION WILL BE FORMED PURSUANT TO THE TERMS AND PROVISIONS OF GOVERNING DOCUMENTS. SINCE THE COMMON AREA IMPROVEMENTS, AMENITIES AND FACILITIES WILL BE MAINTAINED BY THE ASSOCIATION, IT IS ESSENTIAL THAT THIS ASSOCIATION BE FORMED EARLY AND PROPERLY. THE ASSOCIATION MUST HOLD THE FIRST MEMBERSHIP MEETING AND ELECTION OF THE ASSOCIATION'S GOVERNING BODY WITHIN SIX MONTHS AFTER THE CLOSING OF THE SALE OF THE FIRST SUBDIVISION INTEREST UNDER THE FIRST FINAL PUBLIC REPORT FOR THE SUBDIVISION. (REGULATIONS 2792.17 AND 2792.19) THE ASSOCIATION MUST ALSO PREPARE AND

DISTRIBUTE TO ALL HOMEOWNERS A BALANCE SHEET AND INCOME STATEMENT. THEREAFTER THE ASSOCIATION MUST HOLD ELECTIONS OF THE ASSOCIATION'S GOVERNING BODY IN ACCORDANCE WITH THE GOVERNING DOCUMENTS. THE ASSOCIATION MUST THEN ALSO PREPARE AND DISTRIBUTE TO ALL HOMEOWNERS A BALANCE SHEET AND INCOME STATEMENT AND A SUMMARY OF THE ASSOCIATION'S RESERVES BASED UPON THE MOST RECENT REVIEW OR STUDY CONDUCTED PURSUANT TO SECTION 5500 ET SEQ OF THE CIVIL CODE.

The CC&Rs: This Subdivision is subject to the Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for Riverview recorded on February 12, 2021 as Instrument No. 2021-0111344, in the Office of the San Diego County Recorder, as may be amended or modified from time to time, which includes among other provisions, the following:

- Article 2 – Maintenance Covenants and Use Restrictions – Section 2.7 – Water Meters
- Article 2 – Maintenance Covenants and Use Restrictions – Section 2.24 – Owner-Installed Solar Energy Systems
- Article 2 – Maintenance Covenants and Use Restrictions – Section 2.30 – Post-Tension Concrete Slabs

FOR INFORMATION AS TO YOUR OBLIGATIONS AND RIGHTS, YOU SHOULD READ THE RESTRICTIONS. THE SUBDIVIDER MUST MAKE THEM AVAILABLE TO YOU.

Documents to be Furnished:

THE SUBDIVIDER STATED IT WILL FURNISH THE CURRENT BOARD OF DIRECTORS OF THE ASSOCIATION AND EACH INDIVIDUAL PURCHASER WITH THE DEPARTMENT OF REAL ESTATE REVIEWED ASSOCIATION BUDGET.

THE SUBDIVIDER STATED IT WILL FURNISH EACH INDIVIDUAL PURCHASER WITH CONDOMINIUM PLAN.

THE SUBDIVIDER MUST MAINTAIN AND DELIVER TO THE ASSOCIATION THE SPECIFIC RECORDS AND MATERIALS LISTED IN REAL ESTATE COMMISSIONER'S REGULATION 2792.23 WITHIN THE STATED TIME PERIOD. THESE RECORDS AND MATERIALS DIRECTLY AFFECT THE ABILITY OF THE ASSOCIATION TO PERFORM ITS DUTIES AND RESPONSIBILITIES (SECTION 11018.5 OF THE BUSINESS AND PROFESSIONS CODE AND SECTION 4800 OF THE CIVIL CODE).

THE SUBDIVIDER SHALL MAKE A COPY OF THE ARTICLES, BYLAWS AND THE CC&RS AVAILABLE FOR EXAMINATION BY A PROSPECTIVE BUYER

BEFORE EXECUTION OF AN OFFER TO PURCHASE A CONDOMINIUM UNIT. A COPY OF EACH MUST ALSO BE GIVEN TO EACH BUYER AS SOON AS PRACTICABLE BEFORE CLOSE OF ESCROW. THESE DOCUMENTS CONTAIN NUMEROUS MATERIAL PROVISIONS THAT SUBSTANTIALLY AFFECT AND CONTROL YOUR RIGHTS, PRIVILEGES, USE, OBLIGATIONS AND COSTS OF MAINTENANCE AND OPERATION. YOU SHOULD READ AND UNDERSTAND THESE DOCUMENTS BEFORE YOU OBLIGATE YOURSELF TO PURCHASE A CONDOMINIUM UNIT. (BUSINESS AND PROFESSIONS CODE SECTION 11018.6)

MAINTENANCE AND OPERATIONAL EXPENSES:

Association to Levy Assessments. The Association has the right to levy assessments against you for the maintenance of the common areas, amenities and facilities and other purposes. Your control of operations and expenses is limited to the right of your elected representatives to vote on certain provisions at Association meetings.

Budgets. The Subdivider has submitted budgets for the management, maintenance and operation of the Association's obligations and for long-term reserves when the community is substantially completed (built-out budget) and an interim budget applicable to this phase. These budgets were reviewed by the Department of Real Estate in February 2021. You should obtain copies of these budgets from the Subdivider.

Under the built-out budget, the monthly assessment against each condominium unit will be **\$253.82**. The Association may or may not elect to use this budget when additional phases are annexed. Under the interim budget, the monthly assessment per condominium unit will be **\$377.27**. Of these amounts, the monthly contributions toward long-term reserves, which are not to be used to pay for current maintenance, management and operating expenses are **\$111.73** (built-out) and **\$83.36** (interim).

YOU SHOULD BE AWARE THAT IF, AND WHEN ADDITIONAL PHASE(S) ARE ANNEXED INTO THE SUBDIVISION, THE MONTHLY ASSESSMENTS AGAINST YOUR CONDOMINIUM UNIT MAY INCREASE OR DECREASE DEPENDING UPON, AMONG OTHER THINGS, THE NUMBER OF CONDOMINIUM UNITS BEING ANNEXED IN SUCH SUBSEQUENT PHASE(S) AND WHETHER ANY ADDITIONAL COMMON AREA AND/OR COMMON FACILITIES ARE ALSO BEING ANNEXED AS A PART OF SUCH PHASE(S).

According to the Subdivider, assessments under the interim budget should be sufficient for proper management, maintenance and operation of the Association's obligations until the subdivision is completed at which time it may be anticipated that assessments will be adjusted.

IF THE BUDGET FURNISHED TO YOU BY THE SUBDIVIDER SHOWS A MONTHLY ASSESSMENT FIGURE WHICH IS AT LEAST 20% MORE OR AT LEAST 10% LESS THAN THE ASSESSMENT AMOUNT SHOWN IN THIS PUBLIC

REPORT, YOU SHOULD CONTACT THE DEPARTMENT OF REAL ESTATE BEFORE ENTERING INTO AN AGREEMENT TO PURCHASE.

NOTE: THE BUDGET INFORMATION INCLUDED IN THIS PUBLIC REPORT IS APPLICABLE AS OF THE DATE OF BUDGET REVIEW AS SHOWN ABOVE. EXPENSES OF OPERATIONS ARE DIFFICULT TO PREDICT, AND EVEN IF ACCURATELY ESTIMATED INITIALLY, MOST EXPENSES INCREASE WITH THE AGE OF FACILITIES AND WITH INCREASES IN THE COST OF LIVING.

Budget Information Provided by Subdivider. DELINQUENCIES IN THE PAYMENT OF ASSOCIATION ASSESSMENTS AFFECT THE ABILITY OF THE ASSOCIATION TO PERFORM ANY OR ALL OF ITS RESPONSIBILITIES AND COULD ALSO RESULT IN UNFORESEEN SPECIAL ASSESSMENTS LEVIED AGAINST ALL HOMES OR A SIGNIFICANT REDUCTION IN BUDGETED ASSOCIATION SERVICES. THE SUBDIVIDER MUST IMMEDIATELY NOTIFY THE DEPARTMENT OF REAL ESTATE IN WRITING, IF DELINQUENT ASSESSMENTS HAVE CAUSED THE ASSOCIATION TO RECEIVE TEN PERCENT (10%) LESS INCOME THAN REFLECTED IN THE THEN CURRENT ASSOCIATION BUDGET (REGULATION 2800K).

THE SUBDIVIDER MUST MAKE AVAILABLE TO YOU A STATEMENT CONCERNING ANY DELINQUENT ASSESSMENTS AND RELATED CHARGES AS PROVIDED BY THE GOVERNING DOCUMENTS AND, IF AVAILABLE, CURRENT FINANCIAL INFORMATION AND RELATED STATEMENTS (BUSINESS AND PROFESSIONS CODE SECTION 11018.6).

In addition to other documentation provided to each prospective Buyer, a copy of the current financial information, and related statements, to the extent available, as specified by Section (b) of Civil Code Section 5300 must be made available for examination by a prospective Buyer before the execution of an offer to purchase a Unit. A copy of this financial information must also be given to each Buyer as soon as practicable before close of escrow. YOU SHOULD PAY SPECIAL ATTENTION TO THIS FINANCIAL INFORMATION, AS IT PERTAINS TO CURRENT AND POSSIBLE FUTURE FINANCIAL OBLIGATIONS AFFECTING ALL HOMEOWNERS WITHIN THE SUBDIVISION ASSOCIATION. If you do not understand the contents of these financial documents, you may wish to consult with your own professional advisors. Should the amounts collected by the Association prove insufficient to properly maintain, operate, repair or replace the common facilities, the Association may increase Regular Assessments or levy one or more Special Assessments in accordance with the Governing Documents in order to provide such funding, which may affect your ability to purchase, or, as an alternative, the Association may decide to defer maintenance or eliminate services.

The Covenants, Conditions and Restrictions provide that the Subdivider or other owner of a subdivision interest will be allowed to defer from payment, that portion of any assessments which is directly attributable to any structural improvement and/or common

facility that is not complete at the time assessments commence. The amount of the deferment may be a fixed amount, or may vary based upon dates of completion or use. Once the established criterion is met and the authority allowing the deferment is eliminated, all owners must pay the full amount of the monthly assessment as outlined herein. The limitations of the allowance are specifically set forth in the Restrictions (Regulation 2792.16c).

Utility Rates: The utility rates used for the calculations within the above referenced budgets are based on information available at the time of the budget review dates (as shown above). Increases in assessments may be required as a measure to provide adequate funds to compensate for potential utility rate increases. Purchasers should be aware of the possible affect these increases may have on their assessments.

Assessment Increases/Decreases: The Association may increase or decrease assessments at any time in accordance with the procedure prescribed in the CC&Rs or Bylaws. In considering the advisability of a decrease (or a small increase) in assessments, care should be taken not to eliminate amounts attributable to reserves for replacement or major maintenance.

Commencement of Assessments: Regular assessments for the Association will commence on all condominium units in this phase on the first day of the month following the conveyance of the first condominium unit in this phase. The Subdivider must pay assessments to the Association for all unsold condominium units in this phase (Regulations 2792.9 and 2792.16).

Failure to Pay: The remedies available to the Association against owners who are delinquent in the payment of assessments are set forth in the CC&Rs. These remedies are available against the Subdivider as well as against all other owners.

Subdivider's Assessment Security: The Subdivider has posted a bond as partial security for its obligation to pay the assessments. The governing body of the Association should assure itself that the Subdivider has satisfied these obligations to the Association with respect to the payment of assessments before agreeing to a release or exoneration of the security.

Subsidy: The Subdivider has entered into an agreement with the Association to temporarily subsidize a portion of your monthly assessment. The Subsidy commences with the first close of escrow for the sale of a Condominium in Phase 1, and terminates upon the earlier to occur of: (a) the date which is twelve (12) months after the date of the first close of escrow for the sale of a Condominium in Phase 1, or (b) the date of the first closing of a Condominium in Phase 7. The Subsidy Agreement may be extended for 6 (six) month increments in accordance with the terms and provisions of the Agreement. During the term of the Agreement, the Subdivider will subsidize the monthly installment of Regular Assessments. The amount of the monthly subsidy for each Condominium shall be the difference between the then-current monthly installment of the Regular Assessment listed in the budget, plus any increase or less any decrease in the Regular

Assessment established by the Association's Board of Directors, and \$301.84. The Subdivider has posted a bond to cover its obligations under the Agreement. You may request a copy of the Subsidy Agreement from the Subdivider. You should be aware that the Subsidy Agreement could expire prior to your purchase of a Condominium Unit, in which case the amount of the monthly installment of the Regular Assessments to be paid by you will increase to the full amount assessable against each Condominium Unit in such Phase.

USES/ZONING/HAZARD DISCLOSURES

The Subdivider has set forth below references to various uses, zoning, hazards and other matters based on information from a variety of sources. You should independently verify the information regarding these matters, as well as all other matters, that may be of concern to you regarding the Subdivision and all existing, proposed or possible future uses adjacent to or in the vicinity of the Subdivision. At the time this public report was issued, some of the land uses that surround the subdivision, include, but are not limited to, the following:

Zoning

North: San Diego River; Undeveloped/Vacant Land; Town Center Community Park; Sportsplex USA Santee

South: San Diego Christian College, Santee Town Center (Commercial/Retail Center); Trolley Station and Trolley Line; Proposed Theater/Restaurant; City of Santee Fire Station No. 4; Town Center Parkway

East: Riverview Parkway; Undeveloped/Vacant Land; Las Colinas Detention and Reentry Facility; Helix Electric, Inc; Walker Preserve Trail

West: Existing Apartment Community

Uses

The Subdivider advises that the following uses exist within or near this Community:

Urban Environment. Living in an attached Condominium Building within a densely populated Community entails living in very close proximity to other persons and business, with attendant limitations on solitude. Owners will hear noise from adjacent Units within the Community, including noise from showers, bathtubs, sinks, toilets or other sources of running water. Also, Owners may hear noise from items such as appliances, vacuum cleaners, and entertainment systems, or from people running, walking or exercising. Finally, Owners can expect to hear noise from adjacent residential and commercial areas. Owners may also notice light entering the Units from street lights and area lighting fixtures located in close proximity to the windows and doors of the Units.

Public Trail Along San Diego River. The Public Trail is a public pedestrian and cycling pathway that is located along the northern boundary of the Community and runs roughly parallel to the River. The Public Trail is located on Association Property and will be owned and maintained by the Association, except for certain improvements which may be maintained by the City. The Association will also be responsible for maintenance of signage located on the Public Trail that prohibits access to and disturbance of the River area. The Trail is a segment of the San Diego River Trail that connects the Community to other existing trails and roadways. The Public Trail will be subject to a public easement which allows use by non-residents of the Community. A trail staging and interpretive area ("**Staging Area**") is planned to be located on a City-Owned lot adjacent to the recreational facilities to the northeast of the Community. The public may congregate in the Staging Area during use of the trail system. Users of the Public Trail may produce noise, dust, and unpleasant odors, leave trash, bring dogs on the Public Trail, loiter in the area, and create other disturbances which may be inconvenient and disturbing to Owners. Owners of Condominiums located in close proximity to the Public Trail (and Staging Area) acknowledge that there is a limitation on privacy where windows are visible from the Public Trail and that noise often accompanies the use of the Public Trail by others. Portions of the Public Trail are planned to include pedestrian lighting and may cast glare on portions of homes. Owners are advised to use caution on the Public Trail and, in particular, in any non-lighted portions of the Public Trail. In addition, during or after periods of heavy rain, the Public Trail may become covered with water and become dangerous for anyone on the pathway. All persons are advised not to use the Public Trail during a rainstorm or flash flooding event.

Pedestrian Easement Along Riverview Parkway. As shown on the Map, a "Pedestrian Access, Landscape and Maintenance Easement" (the "**Pedestrian Easement**") has been dedicated to the City over a portion of the Community running parallel to Riverview Parkway. The Pedestrian Easement is for public access for pedestrians, among other purposes. The Pedestrian Easement will be improved with a walkway and landscaping Improvements and is located on property that will be designated as Association Property to be owned and maintained by the Association. The public will have the right of access over the Pedestrian Easement. Owners of Condominiums located in close proximity to the Pedestrian Easement acknowledge that there will be a limitation on privacy where windows are visible from the Pedestrian Easement and that residents may be subject to increased noise, as well as other impacts and disturbances, related to the public's use of the Pedestrian Easement.

Sewer Lift Station. A sewer lift station is located in the southeastern portion of the Community adjacent to Units 107 and 108 of the Community. The lift station is part of the sewer improvements for the Community and will be owned and maintained by the Association. Owners of Condominiums located near the lift station may experience increased noise, unpleasant odors and vibrations from the operation of the lift station and associated maintenance activities.

Recreational Facility. The Community is anticipated to include certain recreational facilities in the northeastern and southwestern areas in the Community, which may

include a pool and spa, restroom building, play structure, open turf play area, and barbecue area (collectively, the "**Recreational Facilities**"). The Recreational Facilities are subject to change without notice and Declarant makes no guarantees that the Recreational Facilities described herein will be constructed. Residents living in close proximity to the Recreational Facilities may experience increased noise, unpleasant odors, light glare at night, vibrations, errant objects, dust and other impacts and disturbances associated with the use and maintenance of the Recreational Facilities.

Santee Town Center. Santee Town Center is a large outdoor shopping area located to the south of the Community that contains a variety of retail, restaurant and other businesses. These establishments may make and receive deliveries at all hours of the day and night. Owners may be impacted by a variety of impacts and disturbances associated with these retail and businesses uses, including without limitation, traffic congestion, noise, and light glare at night.

Las Colinas Detention and Reentry Facility. The Las Colinas Detention and Reentry Facility ("**Facility**") is located to the east of the Community. According to the San Diego County Sheriff's Department website, the 45-acre Facility serves as the primary point of intake for women prisoners in San Diego County and has a rated capacity of approximately 1,270 individuals. Owners should contact the San Diego County Sheriff's Department for additional information.

Sportsplex USA. Sportsplex USA ("**Sportsplex**") is located approximately 1,950 feet to the north of the Community. Sportsplex is a large sports and recreational complex containing 3 softball fields, 2 soccer arenas, and batting cages, among other facilities. Sportsplex holds year-round activities and events on weekdays and weekends. The facilities include nighttime lighting and activities are held during evening hours. Residents may experience impacts and disturbances from Sportsplex, including (but not limited to) amplified music and announcements and light glare at night.

Crime and Community Conditions; Homelessness. As with many parts of urban environments, surrounding areas may be occupied by homeless people, vagrants and criminals. Homeless people may loiter and sleep in public parks, the Public Trial and other public and private areas. As such, you may encounter homeless people and vagrants. The presence of homeless people and vagrants may increase over time. There may be incidents of crime against persons and property. You should contact the City and police department for information about City safety and crime. Declarant makes no representation or warranty regarding the safety and security of the Community. The Declarant and the Association shall not be liable for any crime or theft against you, your family, guests, or invitees, or your personal property.

Commercial/Industrial Zone Disclosure. California Code of Civil Procedure Section 731a currently provides that, except in an action to abate a public nuisance brought in the name of the people of the State of California, no Person shall be enjoined or restrained by the injunctive process from the reasonable and necessary operation in any industrial or commercial zone or airport of any use expressly permitted therein, nor shall such use be

deemed a nuisance without evidence of the employment of unnecessary and injurious methods of operation, provided any city, city and county, or county shall have established zones or districts under authority of law wherein certain manufacturing or commercial or airport uses are expressly permitted. Accordingly, Declarant discloses that according to the Natural Hazard Disclosure Statement described in the CC&Rs, the Community is located within one mile of a property that is zoned by the City to allow commercial or industrial use.

Hazards

The Subdivider advises that the following hazard(s) exist within or near this Community:

Electric Power Lines, Wireless Communications Facilities, and Human Health. Underground and overhead electric transmission and distribution lines and transformers (“Power Lines”) are located within or in the vicinity of all residential communities, including the Community. The Power Lines within and in the vicinity of the Community produce electric and magnetic fields (“EMF”). Antennas and other equipment for wireless telecommunications (for example, cellular phones) may also be located in or in the vicinity of the Community. Like all wireless communications facilities, these facilities produce radio-frequency fields (“RF”). Numerous studies concerning the effects of EMF and/or RF on human health have been undertaken over the past several years and some are ongoing. There are studies that have reported a possible relationship between EMF exposure and some health conditions, such as childhood leukemia, miscarriages, and certain neurological disorders, while studies found no such relationship. Some studies have reported associations between RE exposure and brain cancer, while other studies found no such relationship. Studies are ongoing. Additional information about EMF and RF is available from the following agencies:

- the World Health Organization’s International EMF Project website at: www.who.int/per-emf/project/en/;
- the U.S. National Institute of Environmental Health Sciences website at: <http://www.niehs.nih.gov/health/topics/agents/emf/>;
- the CDC website at: <https://www.cdc.gov/niosh/topics/emf/>;
- The California Public Utilities Commission EMF page at: <http://www.cpuc.ca.gov/Environment/emf/emfopen.htm>; and
- San Diego Gas & Electric website: <https://www.sdge.com/emf>.

This list is not meant to all-inclusive.

Undeveloped Land; Wildlife in Area. The Community is located near areas of undeveloped land. As such, the Community may be affected by wildlife, noises, odors, reptiles or insect life typically found in rural areas. Snakes, rodents, mountain lions and

coyotes are some of the wildlife typically encountered in rural areas. Owners should expect to encounter insects of all types including flies, ticks, Africanized (killer) bees, mosquitoes, spiders, black and red fire ants, crickets and aphids. Declarant and the Association are not responsible for wildlife control or eradication.

Airport Proximity Disclosure. According to online mapping services, the following airports lie within the distances stated below (distances measured from the closest point of the airfield along a straight line to the northwest corner of Riverview Parkway):

- | | |
|--------------------------------------|------------|
| • Gillespie Field | 1 Mile |
| • Montgomery Gibbs Executive Airport | 9.3 Miles |
| • San Diego International Airport | 13.8 Miles |

Residents of the Community may notice noise and vibration from overflying aircraft departing from or approaching these airports.

San Diego River; Water Hazard. The San Diego River (“River”) is located to the north of the Community, running roughly parallel to the northern boundary of the Community. Fencing will be installed to separate the River from the Public Trail (described above). The River is an “Open Space Area” and Owners are prohibited from entering upon the River or otherwise disturbing such area. Declarant makes no representations regarding the future uses, water level or existence of the River, which could become dry or flood in the future. During and after periods of heavy rain, fast moving water may be present in the River which may be a danger to animals and children playing on the Public Trail and in the vicinity of the River. Animals and children must be closely watched when in vicinity of the River to prevent accidental drowning and other such injuries. Owners acknowledge that Declarant and the Association are not responsible for the safety of Owner, Owner’s family, guests, invitees, tenants, agents and employees. The River may contribute to the propagation of mosquitoes, other pests and odors in the Community. It is Owner’s sole responsibility to control or otherwise abate the impact of mosquitoes and mosquito bites. Declarant does not represent or guarantee the safety of any person from mosquito bites. The River is maintained by others. The River may become dirty or otherwise unsightly. Neither Declarant nor the Association is responsible for maintenance of the River.

Trolley Station and Trolley Line. The Community is located in close proximity to the Santee Town Center Transit Station and MTS Trolley light rail line to the south. The trolley lines and operations are subject to change at any time and Declarant makes no representations or warranties regarding the current and future operations and use of the trolley lines or station, including types of trains employed, the frequency of trips, the coupling, uncoupling and/or storage of rail cars, and maintenance activities related to the trolley lines and station. Owners and other residents of the Community may experience and/or be exposed to significant noise odors, air pollution, fumes, bright lights, vibrations, traffic congestion, dirt, debris, panhandling, trespassing, criminal activity, and other adverse impacts and hazards relating to the operation and maintenance of the trolley lines and station. Individuals have varying sensitivities to noise and any sound

attenuation measures installed by Declarant may not reduce noise to a level that will satisfy every expectation. The trolley lines and station could be an attractive nuisance to children and animals who may wish to play in the vicinity of the trolley lines. Owners acknowledge and understand that Owners are responsible for keeping children and animals away from the trolley lines and the danger present around the trolley lines.

Former Military Ordnance. According to the Natural Hazard Disclosure Statement referenced in the CC&Rs, the Community is located within one mile of a formerly used ordnance site: Marine Parachute School La Mesa.

Natural Hazards:

The Subdivider has advised that all or portions of the Subdivision subject to this Public Report are located within a *Special Flood Hazard Area* as designated by the Federal Emergency Management Agency. Additionally, the Subdivider has advised that prospective purchasers within this Area will be provided a separate disclosure required under Government Code Section 8589.3.

The Subdivider has advised that all or portions of the Subdivision subject to this Public Report are located within an *Area of Potential Flooding* as shown on an inundation map. Additionally, the Subdivider has advised that prospective purchasers within this Area will be provided a separate disclosure required under Government Code Section 8589.4.

If any disclosure, or any material amendment to any disclosure, required to be made by the Subdivider regarding this natural hazard is delivered after the execution of an offer to purchase, the purchaser shall have three days after delivery in person or five days after delivery by deposit in the mail to terminate the offer by delivery of a written notice of termination to the Subdivider or the Subdivider's agent.

If any disclosure, or any material amendment to any disclosure, required pursuant to 1103 et seq is delivered after the execution of an offer to purchase, the purchaser shall have three days after delivery in person or five days after delivery by deposit in the mail to terminate the offer by delivery of a written notice of termination to the Subdivider or the Subdivider's agent.

If your condominium unit is located within one or more Statutory Natural Hazard areas, your ability to further develop the real property, to obtain insurance, or to receive assistance after a disaster may be affected. You should therefore contact your lender and insurance carrier for more information regarding types of insurance and costs to cover your property. Additionally, since purchasers are not required to receive a separate disclosure for property owned by the Association, you should also contact the Association regarding any assessment increases due to additional insurance costs associated with the Statutory Natural Hazard Areas which may affect the Association maintained areas, if any.

Right to Farm: This property is located within one mile of a farm or ranch land designated on the current county-level GIS "Important Farmland Map", issued by the California Department of Conservation, Division of Land Resource Protection. Accordingly, the property may be subject to inconveniences or discomforts resulting from agricultural operations that are a normal and necessary aspect of living in a community with a strong rural character and a healthy agricultural sector. Customary agricultural practices in farm operations may include, but are not limited to noise, odors, dust, light, insects, the operation of pumps and machinery, the storage and disposal of manure, bee pollination, and the ground or aerial application of fertilizers, pesticides, and herbicides. These agricultural practices may occur during any 24-hour period. Individual sensitivities to those practices can vary from person to person. You may wish to consider the impacts of such agricultural practices before you complete your purchase. Please be advised that you may be barred from obtaining legal remedies against agricultural practices conducted in a manner consistent with proper and accepted customs and standards pursuant to Section 3482.5 of the Civil Code or any pertinent local ordinance.

Notice of Airport in Vicinity: This property is presently located in the vicinity of an airport, within what is known as an airport influence area. For that reason, the property may be subject to some of the annoyances or inconveniences associated with proximity to airport operations (for example: noise, vibration or odors). Individual sensitivities to those annoyances can vary from person to person. You may wish to consider what airport annoyances, if any, are associated with the property before you complete your purchase and determine whether they are acceptable to you.

Business and Professions Code Section 11010(b)(13)(B) provides an "airport influence area", also known as an "airport referral area", is the area in which current or future airport-related noise, overflight, safety, or airspace protection factors may significantly affect land uses or necessitate restrictions on those uses as determined by an airport land use commission.

PURCHASERS SHOULD FAMILIARIZE THEMSELVES WITH THE SURROUNDING AREAS OF THE SUBDIVISION BEFORE SIGNING A PURCHASE AGREEMENT/CONTRACT.

TITLE

Preliminary Report: A preliminary report will be issued by the title insurer to reflect those items that affect the condition of title. You are encouraged to request a copy of this preliminary report for review of those items that affect the condominium unit you are purchasing. Those items typically shown on a report include, but are not limited to, general and special taxes, easements, mechanics liens, monetary encumbrances, trust deeds, utilities, rights of way and CC&Rs. In most instances, copies of documents can be provided to you upon request.

Additionally, the preliminary report shows title, among other things, to be subject to the following:

- Reciprocal Access Easement recorded on September 6, 2019 as Instrument No. 2019-0386995, in the Official Records of the San Diego County Recorder.
- Easement Agreement (Drainage Channel Outlet) recorded on September 6, 2019 as Instrument No. 2019-0386996 in the Official Records of the San Diego County Recorder.
- Easement Agreement recorded on September 6, 2019 as Instrument No. 2019-0386997 in the Official Records of the San Diego County Recorder.
- Notice of Restrictions recorded on February 12, 2021 as Instrument No. 2021-0111345 in the Official Records of the San Diego County Recorder.
- Easement Grant Deed (Recreational Facility) recorded on February 26, 2021 as Instrument No. 2021-0150710 in the Official Records of the San Diego County Recorder.
- Easement Grant Deed (Tot Lot) recorded on February 26, 2021 as Instrument No. 2021-0150711 in the Official Records of the San Diego County Recorder.

Easements: Easements for and other purposes are shown on the title report and Subdivision Map for Santee Tract No. 2018-01, Map thereof 16395 recorded on May 1, 2020 as Instrument No. 2020-7000113 in the Office of the San Diego County Recorder and the Condominium Plan recorded on February 11, 2021 as Instrument No. 2021-0109502.

Amendments to the original condominium plan may also be recorded. You may ask the Subdivider about such changes. If you purchase a condominium unit, this information will be included in your title policy.

Adjustments to the original subdivision map(s) may also be recorded. You may ask the Subdivider about such changes. If you purchase a lot subject to said adjustment, this information will be included in your title policy.

Mineral Rights: You will not own the mineral, oil and gas rights under your land below a depth of 500 feet. These have been reserved as per your grant deed. The right to surface entry has been waived.

TAXES

Regular Taxes: The maximum amount of any tax on real property that can be collected annually by counties is one percent (1%) of the full cash value of the property. With the addition of interest and redemption charges on any indebtedness, approved by voters prior to July 1, 1978, the total property tax rate in most counties is approximately 1.25% of the full cash value. In some counties, the total rate could be well above 1.25% of the

full cash value. For example, an issue of general obligation bonds previously approved by the voters and sold by a county water district, a sanitation district or other such district could increase the tax rate.

For the purchaser of a condominium unit in this Subdivision, the full cash value of the condominium unit will be the valuation as reflected on the tax roll, determined by the county assessor as of the date of purchase of the condominium unit, or as of the date of completion of an improvement on the condominium unit, if that occurs after the date of purchase.

Notice of Your 'Supplemental' Property Tax Bill

California property tax law requires the Assessor to revalue real property at the time the ownership of the property changes. Because of this law, you may receive one or two supplemental tax bills, depending on when your loan closes. The supplemental tax bills are not mailed to your lender. If you have arranged for your property tax payments to be paid through an impound account, the supplemental tax bills will not be paid by your lender. It is your responsibility to pay these supplemental bills directly to the Tax Collector. If you have any questions concerning this matter, please call your local Tax Collector's Office.

Special Taxes & Assessments:

This Subdivision lies within the boundaries of the City of Santee Roadway Lighting District and is subject to any taxes, assessments and obligations thereof. This District was formed to provide funding for construction, operation, maintenance and servicing of all Street Lighting within the District. The District budget for each fiscal year will be based upon the actual costs provided for in the awarded contract for these services. This means assessments can fluctuate from year to year as contracts expire. As of the date of the Public Report the assessment for each residential unit within this Subdivision for 2020-2021 is \$14.06. The administration of this District will be provided by City of Santee-Finance Department.

This Subdivision also lies within the boundaries of the City of Santee Center Landscape District (Zone H) and is subject to any taxes, assessments and obligations thereof. This District was formed for the primary improvements provided within Zone H may include but are not limited to: landscaping along the north side of Town Center Parkway, landscaping along the north side of Transit Way, landscaping along the west and north sides of Riverview Parkway, and landscaping along the north side of Mission Gorge Road, landscaping along the east and south sides of Riverview Parkway, landscaping along the north side of Riverview Parkway, landscaping along the west side of Magnolia Avenue, and pedestrian easement. The District budget for each fiscal year will be based upon the actual costs provided for in the awarded contract for these services. This means assessments can fluctuate from year to year as contracts expire. As of the date of the Public Report the assessment for each residential unit within this Subdivision for 2020-

2021 is \$495.54. The administration of this District will be provided by City of Santee-Finance Department.

This Subdivision also lies within the boundaries of the County of San Diego County Service Area 69 Emergency Ambulance Services and is subject to any taxes, assessments and obligations thereof. This District was formed to provide funding for ambulance and emergency medical services in Santee, Lakeside, a portion of the San Miguel Consolidated Fire Protection District and other areas as specified by the District. The District budget for each fiscal year will be based upon the actual costs provided for in the awarded contract for these services. This means assessments can fluctuate from year to year as contracts expire. As of the date of the Public Report the assessment for each residential unit within this Subdivision for 2020-2021 is \$58.60. The administration of this District will be provided by County of San Diego, Health and Human Services Agency.

This Subdivision also lies within the boundaries of the following districts and is subject to any taxes, assessments and obligations thereof:

- Fire District Special Tax
- Mosquito Surveillance
- Vector Disease Control
- San Diego County Water Authority Water Availability
- Metropolitan Water District of Southern California
- California Statewide Communities Development Authority Statewide Community Infrastructure Program Assessment District No. 19-02 (Riverview)

FINANCING

Pursuant to Civil Code Section 2956 through 2967, inclusive, Subdivider and purchasers must make certain written disclosures regarding financing terms and related information. The Subdivider will advise purchasers of disclosures needed from them, if any.

If your purchase involves financing, a form of deed of trust and note will be used. The provisions of these documents may vary depending upon the lender selected. These documents may contain the following provisions:

Acceleration Clause: This is a clause in a mortgage or deed of trust which provided that if the borrower (trustor) defaults in the repaying of the loan, the lender may declare the unpaid balance of the loan immediately due and payable.

Due-on-Sale Clause: If the loan instrument for financing your purchase of an interest in this subdivision includes a due-on-sale clause, the clause will be automatically enforceable by the lender when you sell the property. This means that the loan will not be assumable by a purchaser without the approval of the lender. If the lender does not declare the loan to be all due and payable on transfer of the property by you, the lender is, nevertheless, likely to insist upon modification of the terms of the instrument as a

condition to permitting assumption by the purchaser. The lender will almost certainly insist upon an increase in the interest rate if the prevailing interest rate at the time of the proposed sale of the property is higher than the interest rate of your promissory note.

A Balloon Payment: This means that your monthly payments are not large enough to pay off the loan, with interest, during the period for which the loan is written and that at the end of the loan period you must pay the entire remaining balance in one payment. If you are unable to pay the balance and the remaining balance is a sizable one, you should be concerned with the possible difficulty in refinancing the balance. If you cannot refinance or sell your property, or pay off the balloon payment, you will lose your property.

A Prepayment Penalty: This means that if you wish to pay off your loan in whole or in part before it is due, you, in addition, must pay a penalty.

A Late Charge: This means that if you fail to make your installment payment on or before the due date or within a specified number of days after the due date, you, in addition, must pay a penalty.

Adjustable Rate Loan: The Subdivider may assist you in arranging financing from a federal or state regulated lender which will make loans that allow the interest rates to change over the life of the loan. An interest rate increase ordinarily causes an increase in the monthly payment that you make to the lender. The lender will provide you with a disclosure form about the financing to assist you in the evaluation of your ability to make increased payments during the term of the loan. This disclosure form will be furnished to you at the time you receive your loan application and before you pay a nonrefundable fee.

BEFORE AGREEING TO ANY FINANCING PROGRAM OR SIGNING ANY LOAN DOCUMENTS, YOU SHOULD READ AND THOROUGHLY UNDERSTAND ALL THE PROVISIONS CONTAINED IN THE LOAN DOCUMENTS.

PURCHASE MONEY HANDLING

The Subdivider must impound all funds (purchase money) received from you in an escrow depository until legal title is delivered to you, except for such amount as the Subdivider has covered by furnishing a bond to the State of California [Refer to Business and Professions Code Sections 11013.4(a).]

If the escrow has not closed on your condominium unit within twelve (12) months of the effective date, you may request the return of your purchase money deposit.

Note: Section 2995 of the Civil Code provides that no real estate Subdivider shall require as a condition precedent to the transfer of real property containing a single family residential dwelling that escrow services effectuating such transfer shall be provided by an escrow entity in which the Subdivider has a financial interest of 5% or more.

THE SUBDIVIDER HAS NO FINANCIAL INTEREST IN THE ESCROW COMPANY WHICH IS TO BE USED IN CONNECTION WITH THE SALE OR LEASE OF CONDOMINIUM UNITS IN THIS SUBDIVISION.

SOILS AND GEOLOGIC CONDITIONS

Some lots contain filled ground. Information concerning filled ground, soil conditions and geologic conditions is available at: City of Santee, Engineering Department, 10601 Magnolia Avenue, Santee, CA 92071.

CALIFORNIA IS SUBJECT TO GEOLOGIC HAZARDS SUCH AS LANDSLIDES, FAULT MOVEMENTS, EARTHQUAKE SHAKING, RAPID EROSION OR SUBSIDENCE. THE UNIFORM BUILDING CODE, APPENDIX CHAPTER 33, PROVIDES FOR LOCAL BUILDING OFFICIALS TO EXERCISE PREVENTIVE MEASURES DURING GRADING TO ELIMINATE OR MINIMIZE DAMAGE FROM SUCH GEOLOGIC HAZARDS. THIS SUBDIVISION IS LOCATED IN AN AREA WHERE SOME OF THESE HAZARDS MAY EXIST. SOME CALIFORNIA COUNTIES AND CITIES HAVE ADOPTED ORDINANCES THAT MAY OR MAY NOT BE AS EFFECTIVE IN THE CONTROL OF GRADING AND SITE PREPARATION.

PURCHASERS MAY CONTACT THE SUBDIVIDER, THE SUBDIVIDER'S ENGINEER, THE ENGINEERING GEOLOGIST, AND THE LOCAL BUILDING OFFICIALS TO DETERMINE IF THE ABOVE-MENTIONED HAZARDS HAVE BEEN CONSIDERED AND IF THERE HAS BEEN ADEQUATE COMPLIANCE WITH APPENDIX CHAPTER 33 OR AN EQUIVALENT OR MORE STRINGENT GRADING ORDINANCE DURING THE CONSTRUCTION OF THIS SUBDIVISION.

Streets and Roads: The private streets within this Subdivision will be maintained by the Association. The costs of repair and maintenance of these private streets are included in the budget and are a part of your regular assessment.

Schools: This Subdivision lies within the Santee School District (619) 258-2300 and the Grossmont Union High School District. These districts advise that the schools initially available to this Subdivision are:

Santee School District

Rio Seco School
9545 Cuyamaca Street
Santee, CA 92071

Grossmont Union High School

Santana High School
9915 N. Magnolia Avenue
Santee, CA 92071

This school information was provided prior to the date of issuance of this Public Report and is subject to change. For the most current information regarding school assignments, facilities and bus service, purchasers are encouraged to contact the school district.

CONTACTING THE DEPARTMENT OF REAL ESTATE

If you need clarification as to the statements in this Public Report or if you desire to make arrangements to review the documents submitted by the Subdivider which the Department of Real Estate used in preparing this Public Report you may contact:

**Department of Real Estate
Subdivisions South
320 West 4th Street, Suite 350
Los Angeles, CA 90013-1105
(213) 576-6983**

RECEIPT FOR PUBLIC REPORT

The Laws and Regulations of the California Real Estate Commissioner require that you as a prospective purchaser or lessee be afforded an opportunity to read the public report for this subdivision before you make any written offer to purchase or lease a subdivision interest or before any money or other consideration toward purchase or lease of a subdivision interest is accepted from you.

In the case of a preliminary or interim public report, you must be afforded an opportunity to read the public report before a written reservation or any deposit in connection therewith is accepted from you.

In the case of a conditional public report, delivery of legal title or other interest contracted for will not take place until issuance of a final public report. Provision is made in the sales agreement and escrow instructions for the return to you of the entire sum of money paid or advanced by you if you are dissatisfied with the final public report because of a material change. (See California Business and Professions Code Section 11012.)

DO NOT SIGN THIS RECEIPT UNTIL YOU HAVE RECEIVED A COPY OF THE PUBLIC REPORT AND HAVE READ IT.

I read the Commissioner's Public Report on _____
[FILE NUMBER]

[TRACT NUMBER OR NAME]

[PHASE NUMBER] [LOT/UNIT NUMBER]

I understand the public report is not a recommendation or endorsement of the subdivision, but is for information only.

The issue date of the public report which I received and read is:

[DATE ISSUED]

[DATE AMENDED]

[EXPIRATION DATE]

[NAME]

[SIGNATURE]

[ADDRESS]

[DATE]