Community: LUNA @ Sunbow Phase: 5 Homesite: 0104 Tract: MAP NO. 16553

CONDITIONAL PUBLIC REPORT ADDENDUM NO. 1 TO PURCHASE AGREEMENT AND DEPOSIT RECEIPT AND ESCROW INSTRUCTIONS

This Conditional Public Report Addendum to Purchase Agreement and Deposit and Escrow Instructions constitutes a part of the foregoing contract between SELLER and Buyer. In compliance with section 11018.12 of the Business and Professions Code, this Escrow is being opened under the authority of a Conditional Public Report. No person acting as a principal or agent shall sell or lease or offer for sale or lease lots or parcels in a subdivision for which a conditional public report has been issued except as provided in this article.

Escrow shall not close, funds shall not be released from Escrow, and title shall not be conveyed to Buyer until a Final Public Report for Unit 104 of Lot 0104 of Map No. __________ is furnished to Buyer. The entire sum of money paid or advanced by Buyer shall be returned if the Final Public Report has not been issued within six months of the date of issuance of the Conditional Public Report (or by the expiration date of any renewal to the Conditional Public Report) or if the Buyer is dissatisfied with the contents of the Final Public Report. (Business and Professions Code 11012).

The following conditions must be satisfied by the SELLER before a Final Public Report can be issued:

1. EVIDENCE THAT SELLER HAS TAKEN TITLE TO THE PROPERTY.

2. EVIDENCE THAT THE CONDOMINIUM PLAN FOR THE PHASE HAS BEEN RECORDED IN THE OFFICIAL RECORDS OF THE COUNTY.

3. EVIDENCE THAT THE SUPPLEMENTARY COMMUNITY DECLARATION OF SUNBOW FOR THE PHASE HAS BEEN RECORDED IN THE OFFICIAL RECORDS OF THE COUNTY.

4. EVIDENCE THAT THE SUB-ASSOCIATION DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND ESTABLISHMENT OF EASEMENTS OF THE SUB-ASSOCIATION AND THE SUPPLEMENTARY SUB-ASSOCIATION DECLARATION OF THE SUB ASSOCIATION FOR THE PHASE, IF APPLICABLE, HAVE BEEN RECORDED IN THE OFFICIAL RECORDS OF THE COUNTY.

5. EVIDENCE THAT THE DECLARATION OF SOLAR ENERGY COVENANTS, CONDITIONS AND RESTRICTIONS FOR SUNBOW, AND GRANT OF EASEMENTS FOR SOLAR ENERGY EQUIPMENT FOR THE PHASE, HAVE BEEN RECORDED IN THE OFFICIAL RECORDS OF THE COUNTY.

6. EVIDENCE THAT THE NOTICE OF PROCEDURES FOR CONSTRUCTION CLAIMS PURSUANT TO CALIFORNIA CIVIL CODE SECTION 912(f), HAS RECORDED IN THE OFFICIAL RECORDS OF THE COUNTY.

7. EVIDENCE THAT THE DECLARATION ESTABLISHING TEMPORARY ACCESS EASEMENTS FOR SUNBOW, HAS RECORDED IN THE OFFICIAL RECORDS OF THE COUNTY.

8. EVIDENCE THAT THE COMPLETION EASEMENT DEED, HAS RECORDED IN THE OFFICIAL RECORDS OF THE COUNTY.

9. EVIDENCE THAT THE SUPPLEMENTARY DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS REGARDING SOIL VAPOR MITIGATION SYSTEMS HAS RECORDED IN THE OFFICIAL RECORDS OF THE COUNTY.

10. A CURRENT PRELIMINARY TITLE REPORT OF A LICENSED TITLE INSURANCE COMPANY FOR ALL SUBDIVISION INTERESTS TO BE INCLUDED IN THE FINAL SUBDIVISION PUBLIC REPORT MUST BE ISSUED AND PROVIDED TO THE DRE AFTER RECORDING OF THE ABOVE REFERENCED DOCUMENTS.

11. EVIDENCE THAT THE GRANT DEED TO COMMUNITY ASSOCIATION FOR THE PHASE HAS BEEN REVIEWED AND ACCEPTED BY THE DRE AND SIGNED, ACKNOWLEDGED AND DEPOSITED IN ESCROW FOR RECORDATION IN ACCORDANCE WITH ESCROW INSTRUCTIONS, AND FULLY EXECUTED RE613'S, RE611'S AND RE611A'S IN COMPLIANCE WITH REGULATION 11018.5(A)(2) DELIVERED TO ESCROW HOLDER.

12. EVIDENCE THAT THE EASEMENT DEED TO THE SUB-ASSOCIATION FOR THE PHASE HAS BEEN REVIEWED AND ACCEPTED BY THE DRE AND SIGNED, ACKNOWLEDGED AND DEPOSITED IN ESCROW FOR RECORDATION IN ACCORDANCE WITH ESCROW INSTRUCTIONS, AND FULLY EXECUTED RE613'S, RE611'S AND RE611A'S IN COMPLIANCE WITH REGULATION 11018.5(A)(2) DELIVERED TO ESCROW HOLDER.

13. EVIDENCE THAT FINANCIAL ARRANGEMENTS ACCEPTABLE TO THE DRE HAVE BEEN MADE TO SECURE THE SELLER'S OBLIGATION TO PAY THE COMMUNITY ASSOCIATION'S REGULAR ASSESSMENTS, AND FULLY EXECUTED RE643 AND SURETY BOND IN COMPLIANCE WITH REGULATION 2792.9 DELIVERED TO ESCROW HOLDER.

14. EVIDENCE THAT FINANCIAL ARRANGEMENTS ACCEPTABLE TO THE DRE HAVE BEEN

MADE TO SECURE THE SELLER'S OBLIGATION TO PAY THE SUB-ASSOCIATION'S REGULAR ASSESSMENTS, AND FULLY EXECUTED RE643 AND SURETY BOND IN COMPLIANCE WITH REGULATION 2792.9 DELIVERED TO ESCROW HOLDER.

15. EVIDENCE THAT THE FULLY EXECUTED MAINTENANCE AND RESERVE AGREEMENTS FOR SUNBOW (PRIVATE STREETS), AND FULLY EXECUTED RE643E AND SURETY BOND IN COMPLIANCE WITH REGULATION 2792.10 DELIVERED TO ESCROW HOLDER.

16. EVIDENCE THAT FULLY EXECUTED SUBSIDY AGREEMENT FOR THE COMMUNITY ASSOCIATION, IF APPLICABLE, WITH ANY RE643E AND SURETY BOND IN COMPLIANCE WITH REGULATION 2792.10 DELIVERED TO ESCROW HOLDER.

17. EVIDENCE THAT FULLY EXECUTED SUBSIDY AGREEMENT FOR THE SUB-ASSOCIATION, IF APPLICABLE, WITH ANY RE643E AND SURETY BOND IN COMPLIANCE WITH REGULATION 2792.10 DELIVERED TO ESCROW HOLDER.

18. EVIDENCE THAT FULLY EXECUTED RECREATIONAL FACILITY USE AGREEMENT.

19. EVIDENCE THAT THE DRE HAS REVIEWED THE BUDGET FOR THE COMMUNITY ASSOCIATION.

20. EVIDENCE THAT THE DRE HAS REVIEWED THE BUDGET FOR THE SUB-ASSOCIATION.

21. EVIDENCE THAT THE ARTICLES OF INCORPORATION FOR COMMUNITY ASSOCIATION HAS BEEN FILED WITH THE CALIFORNIA SECRETARY OF STATE.

22. EVIDENCE THAT THE ARTICLES OF INCORPORATION FOR SUB-ASSOCIATION HAS BEEN FILED WITH THE CALIFORNIA SECRETARY OF STATE.

BUYER(S):

DocuSigned by:
Ginamarie Black
AD3857CB46DD4C8...
Buyer - Ginamarie Black
Date 3/5/2024

DocuSigned by:
Mark Black
BB4F66B9607849C...
Buyer - Mark Black
Date 3/5/2024

Buyer -
Date

Buyer -
Date

Street Address: 808 Mateo Street, Unit 2, Chula Vista, CA 91911

SELLER: LENNAR HOMES OF CALIFORNIA, LLC,
a California limited liability company

DocuSigned by:
By Cody Brown
5ADE929552E44DE...
Title: Authorized Representative
Cody Brown
Date: 3/6/2024

03/05/2024 06:35 PM

HOMEBUYER DISCLOSURE STATEMENT

LUNA AT SUNBOW

Prepared August 21, 2023

Revised January 22, 2024

HOMEBUYER DISCLOSURE STATEMENT

LUNA AT SUNBOW

Prepared August 21, 2023

Revised January 22, 2024

Welcome to **LUNA** AT SUNBOW. LENNAR HOMES OF CALIFORNIA, LLC, a California limited liability company ("***Seller***") is pleased that you ("***Buyer***") have decided to purchase a new home in the Luna at Sunbow neighborhood ("***Neighborhood***") of the larger master-planned development known as Sunbow community ("***Community***") and it is Seller's desire that Buyer be a well informed and an extremely satisfied homebuyer.

This Homebuyer Disclosure Statement ("*Disclosure*") discloses to Buyer various matters that might affect Buyer's decision to purchase a home in the Neighborhood. Please read it carefully. Because much of the information included in this Disclosure has been obtained from other sources (e.g., governmental and other public agencies, public records, etc.) and because the information is subject to change for reasons beyond Seller's control, Seller cannot guarantee the accuracy or completeness of any information disclosed. Further, Seller does not undertake any obligation to advise Buyer of any changes. Buyer should independently verify the information regarding any matter of concern to Buyer regarding Buyer's purchase of a home in the Neighborhood. Seller strongly recommends that Buyer visit the Neighborhood and drive around the surrounding general vicinity on at least several occasions on different days and at different times to become familiar with the physical and other conditions of the area to determine whether there are material factors that might affect Buyer's decision to purchase a home.

As part of Buyer's purchase of a home in the Neighborhood, Buyer will receive other documents and disclosures ("***Purchase Documents***"). This Disclosure is not intended as a substitute for Buyer's review of the Community Governing Documents (defined below), nor does it amend, modify or supersede the Community Governing Documents. If there is an inconsistency between the Community Governing Documents and this Disclosure, unless otherwise expressly provided in the Community Governing Documents, the Community Governing Documents will control. Unless defined herein, capitalized words and phrases used in this Disclosure shall have the same meanings given them in the Community Declaration of Covenants, Conditions and Restrictions and Establishment of Easements of Sunbow ("***Community Declaration***") and the Sub-Association Declaration of Covenants, Conditions and Restrictions and Establishment of Easements of Luna at Sunbow ("***Sub-Association Declaration***"). Where the Community Declaration or Sub-Association Declaration gives a capitalized word or phrase a meaning that is different than the meaning given in this Disclosure, the meaning given in the Community Declaration or Sub-Association Declaration, as applicable shall apply.

I. INTRODUCTION TO THE LUNA AT SUNBOW NEIGHBORHOOD AND THE SUNBOW COMMUNITY

1.1 <u>General Disclosure Regarding the Master Planned Development of the Sunbow Community</u>. The Community is located in the City of Chula Vista ("***City***"), County of San Diego ("***County***"), California. If developed as proposed, the Community may include approximately seven hundred eighteen (718) residential for-sale condominium units located within various Neighborhoods. The total number of proposed homes that may be constructed within the Community may change and no representation or warranty is provided as to what uses will ultimately be developed within the Community. Seller does not have control over any portions of the Community other than what Seller owns and/or is developing.

1.2 <u>Introduction to the Community Governing Documents and Community Association</u>. A Community Declaration has been or will be recorded against the Community. Among other things, the Community Declaration establishes or will establish the Sunbow Community Association ("***Community Association***"). When Buyer purchases a home in the Neighborhood, Buyer will automatically become a member of the Community Association and Buyer will be subject to assessments and certain covenants, conditions and restrictions which are set forth in the Community Declaration and any amendments and supplements, Bylaws of the Sunbow Community Association ("***Community Bylaws***"), the Articles of Incorporation of the Sunbow Community Association ("***Community Association Articles***") and the rules, procedures and other guidelines for the governance of the Community which may be promulgated by the Community Association ("***Community Association Rules***"). Herein the Community Declaration, Community Association Bylaws, Community Association Articles, and the Community Association Rules are referred to collectively as the "***Community Governing Documents***." Buyer should review each of these documents carefully.

1.3 <u>Declarant and Guest Builders in the Community</u>. Seller is the "Declarant" under the Community Declaration. Seller is also the developer of the Neighborhood as well as several other neighborhoods within the Community. As Declarant under the Community Declaration, Seller has rights to develop, improve, market and sell or lease homes within the Community and other Declarant's rights as described in the Community Declaration. It is possible that in the future, other builders (referred to in the Community Governing Documents as Guest Builders) may construct homes substantially different from Buyer's Home.

1.4 <u>Multiple Sub-Associations within the Neighborhood.</u> In addition to being a member of the Community Association, as an owner of a home in the Neighborhood, Buyer will become a member of a sub-association ("***Sub-Association***"). Within the Neighborhood, there are anticipated to be Sub-Associations including (i) the Luna at Sunbow Homeowners Association I, (ii) the Luna at Sunbow Homeowners Association II and (iii) the Luna at Sunbow Homeowners Association III. To understand which Sub-Association will be applicable to the Home that Buyer is purchasing, Buyer should refer to the chart attached to this Disclosure as <u>Attachment 1</u> which designates the homes within each Sub-Association. Buyer may also inquire at the Welcome Home Center. All references herein to "Sub-Association" shall refer to the Sub-Association applicable to Buyer's Home, unless otherwise stated.

1.5 Introduction to the Neighborhood, the Sub-Association Governing Documents and the Sub Association. As a Member of the applicable Sub-Association designated in Attachment 1, Buyer will be subject to assessments and certain covenants, conditions and restrictions which are set forth in the applicable Sub-Association Declaration and any amendments and supplements, Bylaws of the Sub-Association ("***Sub-Association Bylaws***"), Articles of Incorporation of the Sub Association ("***Sub-Association Articles***") and the rules, procedures and other guidelines promulgated by the Sub-Association for the governance of the Neighborhood ("***Sub Association Rules***"). In addition, the Sub-Association Declaration establishes a Sub Association Design Review Committee which is responsible for design review for certain improvements in the Neighborhood and administers, interprets and enforces the Sub-Association Design Guidelines ("***Sub-Association Design Guidelines***") as more particularly described below. Herein the Sub-Association Declaration, Sub Association Bylaws, Sub Association Articles, Sub Association Design Guidelines and the Sub-Association Rules are referred to as the "***Sub Association Governing Documents***." Buyer should review each of these documents carefully.

1.6 Future Development. If developed as planned, the Community will be developed in a series of phases over a number of years. Seller reserves the right to cause to be built more or fewer than the number of homes currently planned or to change product lines, including, but not limited to, increasing or decreasing the size of homes, adding larger, smaller or differently designed models or floorplans, or changing (partially or in total) designs and/or materials, at any point during development of the Community. Due to the inability to predict future market conditions with accuracy, Seller makes no representation or warranty that the Community will be built as currently planned, or pursuant to any particular buildout schedule. Topographical maps, lot plotting maps, maps, and other materials showing completion projections for the Community do not in any way constitute Seller's promises to complete the Community or, if completed, to complete the Community as shown or by a particular time.

Seller gives no assurance that any area presently planned for a particular housing type or property use will actually be developed with that housing type, or property use or in accordance with any planned time schedule. Seller has the right to build different types of houses within the restrictions imposed by local ordinances. Seller reserves the right to modify its development plan for the Community in compliance with any permits and approvals of the City and any other governmental agencies. Such modifications could include, without limitation, increasing or decreasing the number of homes that are built and changing the style, size and appearance of the homes built in the Community. There is no assurance that all homes currently planned for the Community will be built, or that homes built in the Community will use the designs, features and amenities currently seen in the model complex and marketing materials.

1.7 Permit Impacted Zone. A portion of the eastern area of the Community is within a permit impacted zone. Specifically, the City has indicated that residential building permits cannot be issued for construction of homes within one thousand feet (1000') of the landfill until certain date/condition thresholds are met. This means that construction on homes and other improvements within the permit impacted zone may commence after completion of significant portions of the initial Community are constructed and occupied. This additional construction time-frame will mean nuisances associated with construction (such as dust, noise, construction traffic and other nuisances) may persist for an extended period of time. In addition, depending upon sales and issuance of building permits for the permit impacted zone, it is possible that the initial portions of the Community may be completed, construction may cease, and then construction may re-start once permits can be obtained for the permit impacted zone. Buyer is advised to review the location of Buyer's Home in relation to the permit impacted zone prior to deciding whether to purchase the Home. A map depicting the permit impacted zone is available in the Welcome Home Center for review.

1.8 Condominium Ownership in the Neighborhood. The home that Buyer is purchasing is an attached condominium ("***Home***"). As the Owner of a condominium, Buyer will own a separate interest in the residential unit, as shown on the condominium plan which will or has been recorded ("***Condominium Plan***") as well as an undivided interest in certain common area as described on the Condominium Plan. The residential unit boundaries generally extend only to the interior unfinished surface of the walls and floors. Buyer will, to the extent shown in the Condominium Plan covering the Home and grant deed, have the exclusive right to the use of a portion of the common area designated as an appurtenant exclusive use easement. The Sub Association has certain rights to conduct periodic inspection and maintenance of these areas. These rights are described in the Sub-Association Declaration. Buyer will also have an easement over the Common Area, subject to the exclusive use easements and the other easements and restrictions set forth in the Sub-Association Governing Documents and Community Governing Documents. Buyer will also have an easement over the Community Association Property, which is property owned by the Community Association, subject to the other easements and restrictions set forth in the Community Governing Documents. Buyer is responsible for maintaining those portions of the Home and appurtenant exclusive use easement areas as described in the Sub Association Declaration.

1.9 Property Owned and Maintained by the Community Association. The Community Association is responsible for owning, maintaining and administering the property owned by the Community Association ("***Community Association Property***") and certain other portions of the Community not owned by the Community Association which have been designated as "***Community Association Maintenance Areas***." Certain areas outside the boundaries of the Community will also be maintained by the Community Association as "***Offsite Maintenance Areas***," as provided under the Community Declaration. The Community Association will have substantial maintenance obligations and the obligation to coordinate with the City of Chula Vista on various matters. The City's requirements include the obligation of the Community Association to accept certain maintenance and other responsibilities under City agreements. Additional or similar agreements will be required in the future for analogous areas and potentially other areas all as may be required by the City. Costs associated with these agreements are included in the Community Association budget, as described in more detail below.

1.10 Representation on the Board of Directors of the Community Association. At the first membership election, Seller is entitled to appoint a majority of the Board of Directors of the Community Association ("***Community Board***"). Seller and Guest Builders (if any) have Class B voting rights and Seller has Class C voting rights. Class B voting rights in the Community Association entitle Seller and Guest Builders (if any) to three votes for each home currently subject to assessment and owned by Seller or Guest Builders within the Community. Class C voting rights allow Seller to control the Community Board for an extended period of time. Buyer should review Article 4 of the Community Declaration carefully to understand Buyer's voting rights and the voting and Community Board control rights of Seller.

1.11 Representation on the Board of Directors of the Sub-Association. At the first membership election of the Sub-Association Board of Directors ("***Sub-Association Board***"), Seller is entitled to appoint a majority of the Sub-Association Board directors. Seller has Class B voting rights which entitle Seller to three votes for each home currently subject to assessment and owned by Seller within the Neighborhood. Buyer should review Article 4 of the Sub-Association Declaration carefully to understand Buyer's voting rights and the voting and Sub-Association Board control rights of Seller.

1.12 Ownership of the Private Streets. The Private Streets in the Community, including without limitation the Private Streets providing access to and within the Neighborhood, will be owned by the Community Association as Community Association Property.

1.13 Voting Rights. As a member of the Community Association and the Sub Association, Buyer has a right to vote. However, this vote is limited to major issues and, for a period of time, will carry less weight than a vote by Seller. Voting rights are described in more detail in the Governing Documents (defined below).

II. THE COMMUNITY GOVERNING DOCUMENTS AND SUB-ASSOCIATION GOVERNING DOCUMENTS

2.1 Governing Documents. As described above, Owners of homes in the Neighborhood will be subject to both the Community Governing Documents and the Sub Association Governing Documents (collectively, "***Governing Documents***"). Additional information regarding the Governing Documents is provided below. However, Buyer is encouraged to carefully review all of the Governing Documents before determining whether to purchase the Home. Buyer acknowledges that Buyer has been furnished with a copy of the Governing Documents and has been advised to read and study the Governing Documents carefully before determining whether to purchase the Home in the Neighborhood.

2.2 Changes in Governing Documents. Modifications may be made to the Governing Documents Buyer received and in the rights of certain parties, including Buyer and Buyer's neighbors, in the Community as a result to accommodate the requirements of Seller and certain governmental and quasi-governmental agencies, including without limitation, the FHA, VA, FNMA, FHLMC, GNMA federally sponsored mortgage guarantee entities, and the DRE.

2.3 Review of Governing Documents. Buyer should carefully review the Governing Documents in order to understand Buyer's specific rights and obligations as a member of the Community Association and the Sub-Association. The Governing Documents establish limits and restrictions on the use of Buyer's Home. Buyer will also be provided with a preliminary title report. The title report will list other recorded documents affecting the use of Buyer's Home. Buyer should review the title report and the documents referenced in the report closely. Buyer will also receive copies of the proposed operating budgets for the Community Association and the Sub-Association. The budgets detail the estimated costs and expenses of operation and maintenance of the Community and the Neighborhood, respectively.

2.4 Enforcement of Governing Documents. Pursuant to the terms of the Community Governing Documents, the Community Association and each Owner have a right of action against any Owner, and any Owner has a right of action against the Community Association, to enforce the provisions of the Community Governing Documents. Pursuant to the terms of the Sub Association Governing Documents, the Sub-Association and each Owner of a home within the Neighborhood has a right of action against the Sub-Association to enforce the provisions of the Sub-Association Governing Documents. The Community Association and the Sub Association, as applicable, may bring action against Owners for the collection of assessments, including fines imposed by the Community Association or the Sub-Association against Owners for violations of the applicable Governing Documents.

2.5 Community Association Budgets.

(a) Range of Assessments Budget. Due to uncertainty in the sequence in which Phases will close escrow, it is difficult to predict at this time the amount of the monthly assessment which will be assessed against each home in the Community. Therefore, Seller has created a "range of assessments" budget for the Community Association, as described in the Subdivision Public Reports. As the overall Community is developed and additional Phases become subject to assessment, the level of monthly assessments in existing Phases of the Community may increase or decrease, subject to the limitations in the Community Governing Documents. By acquiring a home within the Community, Buyer acknowledges and agrees to such increases and variations in assessments.

(b) Budget Amounts are Estimates Only/Costs of Operation Increase Over Time. Expenses of operation are difficult to predict and increase over time. Amounts included in the DRE reviewed budgets for the Community are estimates and are subject to increase in the future. Buyer is advised to review the Community Association Annual Operating Budget. Buyer should be aware that the assessments will change over time as costs increase and additional properties are annexed to the Community.

(c) Community Association Assessments. Buyer's obligations as a member of the Community Association include, without limitation, paying assessments to the Community Association. Buyer should anticipate that these assessments will increase as operational needs increase in the future due to the annexation of additional Phases of development, inflation and changing maintenance needs. The Community Association's ability to increase annual assessments and to levy special assessments without the consent of the membership is subject to certain limitations set forth in the Community Declaration. The Community Board is obligated to provide members with an annual budget and other financial statements for the Community Association. Buyer should review the budget carefully prior to purchasing the Home.

The Community is being developed on a phased basis. Assessments will not commence against homes in a Phase until the first close of escrow in such Phase to an owner under authority of a DRE issued Subdivision Public Report. As property is annexed, additional common areas are transferred to the Community Association for maintenance and additional homes become subject to assessment, the assessment rates will increase and/or decrease as provided in the phased budgets. Buyer is advised to review all Phase budgets.

Buyers are hereby advised that the budgets reviewed by the California Department of Real Estate are estimates of cost only. Costs of operation often increase. Any budget amounts provided to buyers are estimates and are subject to change in the future.

2.6 Sub-Association Budget.

(a) Budget. All buyers will receive a budget for the common expenses anticipated to be incurred by the Sub-Association for the operation and maintenance of the Neighborhood and the discharge of the obligations imposed on the Sub-Association by the Sub Association Governing Documents, which common expenses are to be shared by the members of the Sub-Association. The Sub-Association funds its obligations by levying assessments and distributing such funds in accordance with the Sub-Association's annual budget. Common expenses incurred for operation and maintenance of the Neighborhood as provided in the budget of the Sub-Association will be allocated equally to the homes in the Neighborhood then subject to assessment.

(b) Budget Amounts are Estimates Only/Costs of Operation Increase Over Time. Buyers are hereby advised that the budgets reviewed by the California Department of Real Estate are estimates of costs only. Costs of operation often increase. Any budget amounts provided to Buyers are estimates and are subject to change in the future.

(c) Sub-Association Assessments. Buyer's obligations as a member of the Sub Association include, without limitation, paying assessments to the Sub-Association in addition to the assessments levied by the Community Association. Buyer should anticipate that these assessments will increase as operational needs increase in the future due to the annexation of additional phases of development, inflation and changing maintenance needs. The Sub Association's ability to increase annual assessments and to levy special assessments without the consent of the membership is subject to certain limitations set forth in the Sub-Association Declaration. The Sub-Association Board is obligated to provide members with an annual budget and other financial statements for the Sub-Association. Buyer should review the budget carefully prior to purchasing the Home.

The Neighborhood is being developed on a phased basis. Assessments of the Sub Association will not commence against homes in a Phase until the first close of escrow in such Phase to an owner under authority of a California Department of Real Estate issued Subdivision Public Report. As property is annexed, additional common areas are transferred to the Sub-Association for maintenance and additional homes become subject to Sub-Association assessment, the Sub-Association assessment rates will increase and/or decrease as provided in the phased budget of the Sub-Association. Buyer is advised to review all Phase budgets of the Sub Association.

2.7 Special Benefit Areas. Portions of the Community which directly receive special services for the benefit of the Owners in those areas may be established in the future under the Community Declaration or the Sub-Association Declaration. In such cases, the Owners within the Special Benefit Areas may have the obligation to pay additional assessments for the special benefit which they receive. The special benefit might include the maintenance by the Community Association or the Sub-Association, as applicable, of areas such as Private Streets or slopes or similar areas which serve or benefit the Special Benefit Areas. Owners within such Special Benefit Areas will pay a general assessment component and a special benefit assessment component, which relates to costs associated with services provided through the Special Benefit Area. Some of the items set forth in the Special Benefit Area budget at the time of Buyer's purchase of the Home may increase or decrease as additional phases are annexed into the Special Benefit Area. At this time, the Neighborhood is NOT within a Special Benefit Area.

2.8 Subsidy Agreements. Seller has or will enter into a Subsidy Agreement with the Community Association by which it will subsidize a portion of the regular assessment costs and expenses incurred by the Community Association allocated to the homes in the Neighborhood for a temporary period of time. In addition, Seller has or will enter into a Subsidy Agreement with the Sub-Association by which it will subsidize a portion of the costs and expenses incurred by the Sub-Association for a temporary period of time. During the term of the applicable Subsidy Agreement, each Owner within the Neighborhood subject to assessment is obligated to pay its subsidized portion of the assessments as provided in the applicable Subsidy Agreement (subject to increases or decreases as adopted from time to time by the applicable Association Board). Buyer will be responsible for payment of the unsubsidized assessments at the end of the subsidy period for a Subsidy Agreement. Upon expiration of a Subsidy

Agreement term, regular assessment amounts for assessments covered by the Subsidy Agreement will increase to the then levied amount under the applicable Association's budget. Seller is under no obligation whatsoever to extend the terms of the Subsidy Agreements. Buyer is advised that the one of the Subsidy Agreements may expire before the other.

The Subsidy Agreements may have terminated prior to Buyer's closing. In such event, the monthly assessments that Buyer pays will be at the level called for in later stages of the development or as otherwise set forth in the applicable budget.

III. SPECIFIC PROVISIONS OF THE COMMUNITY DECLARATION AND SUB-ASSOCIATION DECLARATION

3.1 Community Declaration and Sub-Association Declaration. The disclosures set forth in this Section III discuss some but not all of the restrictions and requirements set forth in the Community Declaration and Sub-Association Declaration. Buyer is hereby advised that Buyer should review all provisions of the Community Declaration and Sub-Association Declaration to understand the restrictions Buyer will be subject to if Buyer purchases a home within the Neighborhood and the Community.

3.2 Mandatory Alternative Dispute Resolution. The Purchase Documents, the Sub Association Declaration and the Community Declaration include certain provisions that require any disputes between Buyer and/or Seller and related parties to be resolved through mandatory alternative dispute resolution procedures including mediation and binding arbitration. By using such procedures to resolve disputes, there will be no jury trials in connection with disputes resolved under these procedures. Such provisions include mandatory dispute resolution procedures for any claim by Buyer against Seller based upon claimed defects in the design or construction of Buyer's Home. Buyer should read and understand the procedures for mandatory alternative dispute resolution procedures set forth in the Purchase Documents, the Community Declaration, and the Sub-Association Declaration.

3.3 Residential Construction Litigation. The mandatory dispute resolution provisions in the Sub-Association Declaration and the Community Declaration include the following: prior to the commencement of any legal proceeding by Buyer against Seller based upon a claim for defects in the design or construction of any home, Common Area, Community Association Property, Community Association Maintenance Areas, or any improvements thereon, Buyer must first comply with the provisions of Article 16 of the Sub-Association Declaration and Article 16 of the Community Declaration. Such provisions state that if at any time during the applicable time period(s) identified in California Civil Code Section 895 et seq., as hereafter amended ("***Construction Claims Statute***"), as such period may be extended by any applicable tolling statute or provision, or any shorter period as provided by applicable law, Buyer believes the Seller has violated any of the standards set forth in Construction Claims Statute ("***Claimed Defect***"), which Buyer feels may be the responsibility of Seller, Buyer shall promptly notify Seller's agent for notice of construction defect claims. Seller shall, in its sole discretion, be entitled to inspect the applicable property regarding the reported Claimed Defect and, within its sole discretion, shall be entitled to cure such Claimed Defect. Buyer's written notice delivered to Seller shall be a condition precedent to Buyer's right to institute any legal proceeding and to proceed to mediation or binding arbitration as set forth in Section 16.6 of the Sub-Association Declaration and Section 16.5 of the Community Declaration, and Buyer shall not pursue any other remedies available to it, at law or otherwise, including without limitation the filing of any legal proceeding or action, until Seller has had the reasonable opportunity to inspect and cure the Claimed Defect. Seller shall not be liable for any general, special or consequential damage, cost, diminution in value or other loss which Buyer may suffer as a result of any Claimed Defect in the property, which reasonably might have been avoided had Buyer given the notice and opportunity to cure as described above within a reasonable time of discovering the Claimed Defect. If Buyer sells or otherwise transfers ownership of Buyer's Home to any other person during the applicable time period(s) identified in the Construction Claims Statute, as such period may be extended by any applicable tolling statute or provision, or any shorter period as provided by applicable law, Buyer covenants and agrees to give such other person written notice of these procedures by personal delivery. Buyer's continuing obligation under this covenant shall be binding upon Buyer and Buyer's successors and assigns.

BUYER IS ADVISED THAT THE CONSTRUCTION CLAIMS STATUTE, AND THE ALTERNATIVE DISPUTE RESOLUTION PROVISIONS IN THE PURCHASE DOCUMENTS, THE SUB-ASSOCIATION DECLARATION AND THE COMMUNITY DECLARATION AFFECT BUYER'S LEGAL RIGHTS. BUYER IS ADVISED TO READ THE LAW AND SAID DOCUMENTS CAREFULLY AND TO SEEK LEGAL ADVICE IF BUYER HAS ANY QUESTIONS REGARDING BUYER'S LEGAL RIGHTS THEREUNDER.

3.4 Obligation to Retain Purchase Documents. Buyer, as a purchaser who originally purchased a home from Seller, will be provided copies of certain documents in conjunction with the purchase of Buyer's Home, including copies of the Community Declaration, the Sub Association Declaration, maintenance recommendations from Seller, maintenance recommendations for manufactured products or appliances included within the Home, a limited warranty, claim forms, and other documentation relating to the Construction Claims Statute. Buyer is required by the Construction Claims Statute to retain these documents and provide copies of such documents to Buyer's successor in interest upon the sale or transfer of Buyer's Home.

3.5 Buyer Maintenance Obligations and Maintenance Manual. Buyer must maintain Buyer's Home in a neat, clean, safe and attractive condition at all times. All areas not designated as Common Area, Community Association Property, or Community Association Maintenance Areas and located within the boundaries of Buyer's Home are the responsibility of Buyer to maintain. Seller will provide Buyer with an Owners Maintenance Manual, which will contain important maintenance obligations and schedules for the proper maintenance of improvements in Buyer's Home. Failure to properly maintain interior improvements may cause premature deterioration of important features, finishes or equipment. In addition, Buyer acknowledges that certain upgraded materials selected by Buyer may have specific maintenance requirements. Failure to comply with the Owners Maintenance Manual and any additional maintenance obligations and schedules provided by Seller may reduce or defeat Seller's liability for construction defect claims under California Civil Code Section 895 *et seq.*

3.6 Use Restrictions. The Community Declaration and the Sub-Association Declaration include numerous use restrictions such as limitations on types of vehicles and number of animals that may be maintained within the Neighborhood and Community. Buyer is advised to review Article 6 of the Community Declaration and the Community Association Rules and Article 6 of the Sub-Association Declaration and the Sub-Association Rules carefully so that Buyer understands the restrictions Buyer will be subject to when Buyer purchases a home within the Neighborhood and the Community. Seller is not responsible for enforcing use restrictions. In addition to the use restrictions set forth in the Governing Documents, Buyer is subject to all requirements of applicable law including, without limitation, all City requirements.

3.7 Pets. Buyer acknowledges that the Community Declaration restricts the numbers and types of animals an Owner may maintain within the home. Generally, an Owner may keep and maintain in the Owner's home the maximum number of dogs or cats allowed by the City; provided, however, the Community Board may impose additional requirements on numbers of dogs and cats in the Community Association Rules. Domestic reptiles, birds, rodents and fish shall be permitted so long as such animals are kept in the interior of the home. In no event may goats, bees, chickens, roosters or other non-domestic animals be permitted to be kept within the Community. The Community Board may adopt Community Association Rules that further limit or restrict the keeping of such pets. Each Owner is liable for any damage caused by any animal brought or kept in the Neighborhood by the Owner, as more fully described in the Community Declaration, and is obligated to clean up after any such animal(s). Buyer should determine whether Buyer can and will comply with the pet restrictions set forth in the Community Declaration and the Community Association Rules before purchasing the Home.

3.8 Design Review. The Community Declaration and Sub-Association Declaration prohibit Owners from making any improvements to the homes and/or Exclusive Use Easement Areas appurtenant to the Home without approval of the Community Association and Sub Association Board, or, if formed, the Sub-Association Design Review Committee; provided, however, the Community Association has delegated its design review rights to the Sub-Association and, therefore, the Sub-Association will perform design review on behalf of the Community Association unless the Community Association revokes such delegation. The Community Association and the Sub-Association do not have the right to review any improvements installed by Seller. Notwithstanding this architectural review process, there may be a variety of styles and designs within the Community.

A fee will be charged in connection with the design review process by the Sub-Association and Community Association if applicable. Owners within the Community will be responsible for payment of this fee.

3.9 Window Coverings. Per the Community Declaration, temporary window coverings in a design and color that does not conflict with the surrounding improvements (but excluding aluminum foil, newspapers, or any other contrasting material) are permitted for a maximum period of ninety (90) days from the date that the Home is conveyed to Buyer by Seller. Except as specifically provided above, no temporary window coverings may be used to cover any door or window of any home. All window coverings (including temporary window coverings) must be of a neutral color harmonious with and not in conflict with the color scheme of the exterior wall surface of the home.

3.10 Exterior Lighting. Pursuant to the Community Declaration, Buyer may not install additional exterior lighting without the consent of the Community Association. Buyer may not manually turn off or alter exterior lighting that contains a photocell. If any lighting on the Home provides illumination to other property located beyond the boundaries of the Home, no changes to such lighting may be made without the approval of the Community Association. Some of the exterior lighting on homes within the Neighborhood may provide light to certain exterior portions of the Community and contain a photocell which will automatically control their operation. Such exterior lighting may not be manually turned off and the photocell may not be altered in any way by the Owner.

3.11 Holiday Decorations. As provided in the Sub-Association Declaration, holiday lighting must be in conformance with the Community Design Guidelines.

3.12 HVAC. Buyer may not change the location of the air conditioning compressor installed by Seller unless Buyer first obtains the approval required by the Community Governing Documents and any applicable local laws. HVAC units generate noise which may be audible within the homes.

3.13 Leasing. Subject to any owner-occupancy requirements, Buyer will not be permitted to rent or lease Buyer's Home for transient, hotel or motel purposes. All rental and lease agreements must be in writing and must provide that the terms of the lease are subject in all respects to the provisions of the Community Governing Documents and Sub-Association Governing Documents. The lease must also state that any failure by the tenant or lessee to comply with the terms of the Community Governing Documents and Sub-Association Governing Documents constitutes a default under the lease. Additional leasing restrictions are set forth in the Community Declaration and Sub-Association Declaration.

3.14 State Authorized Businesses. The Community Declaration imposes restrictions on commercial and other non-residential uses of homes within the Neighborhood, including restrictions on home-based businesses. Notwithstanding such restrictions, Buyer is advised that under state law there may be certain types of business activities such as daycares and certain types of substance abuse recovery, education and/or treatment facilities that cannot be restricted by the Community Declaration and Sub-Association Declaration so long as such facilities satisfy the requirements for "state-authorized" businesses or other requirements of laws applicable to the particular use. This means that the Community Association or Sub-Association cannot take legal action to prevent such uses from operating in the Neighborhood as long as the use conforms to the requirements of state law. However, the Owners of any homes where such state authorized businesses may be operated must still comply with the other restrictions in the Community Declaration, Sub-Association Declaration and any other governing documents.

Buyer is further advised that the Community Declaration and Sub-Association Declaration do not and cannot place any restrictions on residences that are not subject to the applicable Declaration. Therefore, residences adjacent to or within the vicinity of the Home Buyer is considering purchasing which are not subject to the Community Declaration or Sub-Association Declaration, as applicable, may be used for home-based businesses such as days cares or treatment facilities and Seller, the Community Association and the Sub-Association have no control over such uses.

IV. DISCLOSURES ABOUT THE COMMUNITY AND NEIGHBORHOOD

4.1 The Neighborhood. The Neighborhood is an attached condominium neighborhood as described in more detail above in the provision above entitled "Condominium Ownership in the Neighborhood." Buyer will experience noise and other impacts typically associated with attached condominium neighborhoods. Buyer should expect to hear HVAC, garage doors and other noises from neighboring homes, noise from others' use of their yard areas, and other sounds typically found in attached condominium neighborhoods such as the Neighborhood. Buyer should carefully consider the impacts of living in an attached condominium neighborhood before deciding to purchase the Home.

4.2 Recreational Areas. Recreational areas and facilities are located throughout the Community. Buyer is strongly encouraged to review the site plan available in the Welcome Home Center to determine the proximity of recreational facilities to Buyer's Home. Residents living in close proximity to recreational facilities may experience noise and other impacts.

4.3 Tot Lot Module A and Tot Lot Module B. If developed as planned, a recreational area may be located immediately adjacent to Residential Units 120 through 128, inclusive, of the Neighborhood and a recreational area may be located immediately adjacent to Residential Units 3059, 3070, 3058 and 3051 of the Neighborhood. These recreational areas may include play equipment, seating, lighting, landscaping and other passive or active recreational facilities. Residents living in close proximity to one of these recreational areas may experience noise, increased pedestrian and/or vehicle traffic or other impacts. Buyer should carefully consider the impacts the proximity of these recreational areas may have on Buyer's use and enjoyment of the Home.

4.4 Park Module B. If developed as planned, a recreational area may be located immediately adjacent to Residential Units 3080 through 3084, inclusive, within the Neighborhood. This recreational area may include seating, lighting, landscaping, walkways and other passive or active recreational facilities. Residents living in close proximity to this recreational area may experience noise, increased pedestrian and/or vehicle traffic or other impacts. Buyer should carefully consider the impacts the proximity of this recreational area may have on Buyer's use and enjoyment of the Home.

4.5 Recreational Center. The Community is planned to include recreational center ("***Recreational Center***"). The scope, type and size of the improvements that will be constructed within the Recreational Center are subject to change. Buyer should not purchase a home based upon anticipated recreational facilities planned to be constructed within the Community.

Seller has the rights to use the Recreational Center for promotional and other marketing activities, and events and to reasonably display or show the Recreational Center to prospective purchasers.

The Recreational Center will generate noise, light, glare, odors, increased pedestrian and vehicular traffic in and around the vicinity of the Recreational Center and other nuisances associated with a high-traffic recreational use area. Special events may occur in the Recreational Center that may create additional nuisances (including but not limited to noise, smells, lights and increased traffic) for residents who reside in close vicinity to the Recreational Center. If developed, the Recreational Center may include hard surface sports courts and other facilities which may be lighted at night and which may cause noise, traffic and other disturbances. Hard surface sports courts can create significant amounts of noise. Buyer is advised to consider these noise and other impacts and the proximity of Buyer's Home to the facilities prior to deciding to purchase the Home. The main recreational center is anticipated to be located within Lot 7 of the Final Map. Buyer is encouraged to review the location of Buyer's Home in relation to the Recreational Center. There is no representation or warranty that any of the above-described Recreational Center will be constructed or, if constructed, will be constructed as described above. Buyer should not purchase the Home based upon any assumption as to what recreational facilities may ultimately be constructed within the Community.

4.6 Open Space Preserve. Approximately 67 acres of land north and west of the Community has been designated as a Multiple Species Conservation Plan (MSCP) Open Space Preserve. These areas as subject to a Conservation Easement and will be maintained by the City of Chula Vista. Seller has no control over the maintenance of the Open Space Preserve. The proximity of the Open Space Preserve to the Community may result in an increase in property insurance premiums and/or may make property insurance more difficult to obtain due to increased fire hazard risk. In addition, proximity of Open Space Preserve to the Community may result in increased levels of wildlife activity.

4.7 Dog Parks. Dog parks are planned to be in various locations within the Community. Dog parks generate smells and noise. Buyer is encouraged to review the maps available in the Welcome Home Center to determine the proximity of Buyer's Home to the dog parks.

4.8 OWD Easement Repair and Replacement Obligations. Easements for pipeline and other purposes for the benefit of the Otay Water District are located within portions of the Community including within portions of Zulu Road which is a public roadway. Pursuant to the Community Declaration, if it is necessary for Otay Water District to disturb the public roadway in order to repair, replace or perform other actions with respect to its facilities in the public roadway, the Community Association is responsible to either repair the public roadway or reimburse the City for such repair. Pursuant to the requirements of the City and the Community Declaration, Seller has or will post a deposit with the City in the amount of Forty-Two Thousand Eight Hundred and Seventy-Nine Dollars ($42,879) to fund possible repair and replacement work for Zulu Road. In addition, the Community Association is required to accrue Forty-Two Thousand Eight Hundred and Seventy-Nine Dollars ($42,879) in a separate reserve account, held for the purpose of funding possible repair and replace work for Zulu Road. A portion of the Community Assessments levied against the Owners will fund this reserve account.

4.9 Storm Water Management. The Community Association must maintain all Storm Water Quality Improvements, which include onsite and offsite structural facilities constructed as part of the Community design, in accordance with governmental requirements, including without limitation the BMP Facilities in conformance with all of the requirements of the Regional Water Quality Board and the requirements set forth in the Storm Water Management Facilities Maintenance Agreement and the Education and Enforcement Program. The Community Association will be responsible for payment of any fines levied by the Regional Water Quality Board or by the City, as a result of failure to perform such Maintenance Obligations. A Storm Water Management Facilities Maintenance Agreements has been or will be recorded and additional storm water agreements may be recorded for future areas of the Community. Costs associated with the agreements are included in the Community Association budget. Amendments or supplements thereto or additional Storm Water Management Facilities Maintenance Agreements may be recorded against the Community or any portion thereof pursuant to the requirements of the City.

4.10 Storm Water Basins. Storm water basins are located within the Community including without limitation the basin that will be located with Lot M in close proximity to portions of the Neighborhood. Other basins are intended to be located northwest of portions of the Neighborhood. The storm water basins are intended to be owned and/or maintained by the Community Association. The storm water basins may be visible from areas within the Neighborhood. It is expected that these basins may contain water during seasonal rains and may contain water or may be dry at any time of the year. Any unfenced basin is a potential water hazard and children and animals must be closely watched to prevent access to the basin and to prevent accidental drownings and other such injuries around the basin.

4.11 Governmental Regulations. The Community is subject to certain governmental regulations and approvals and each Owner is obligated to comply with all applicable governmental regulations and approvals. Copies of these regulations and approvals are located at the Chula Vista Planning and Building Departments. Buyer may obtain a copy of the approvals from the Planning and Building Department Offices.

4.12 Fuel Modification Areas. Certain areas within the Community and surrounding the Community are within fuel modification areas. Buyer is subject to planting, watering, maintenance and pruning requirements and other restrictions on the improvements Buyer can construct and landscaping Buyer can install within these areas as set forth in the Fire Protection Plan for the Community. The proximity of the home to the fire zones can increase the costs of insurance or could possibly make it difficult to secure insurance coverage. Buyer should investigate the availability and cost of obtaining insurance for the Home Buyer is purchasing.

4.13 New Streets. Streets in the Community may remain unfinished during construction of a neighborhood. Until the final paving of the streets, the gutter edges may not be level with the streets, manhole covers may protrude from the streets, and the road surface may be irregular in other respects. In addition to the foregoing, surface parking spaces may be modified when final paving/striping is added.

4.14 Streets.

(a) Public Streets. Certain streets providing access to the Community are public streets. Public streets are maintained and governed by the City. If Buyer's Home borders a public street, Buyer should be aware that issues relating to the public street would need to be addressed with the City.

(b) Private Streets. Some of the streets providing access within certain portions of the Community, including the streets within the Neighborhood, are Private Streets which will be owned and maintained by the Community Association. The Community Association has the right to restrict and otherwise control parking within the Private Streets as provided in the Community Declaration. Parking may not be permitted within portions of the Private Streets. The Private Streets may not be one hundred percent completed prior to the close of escrow for the Home. Private Streets may remain unfinished for a year or longer after the first buyers move in. Until the final paving of the Private Streets, the gutter edges may not be level with the streets, manhole covers may protrude from the streets, and the road surface may be irregular in other respects.

(c) Rolled Curbs. Portions of the Community may have rolled curbs which are continuous along the entire drive or street edge. Buyers driving low profile vehicles are encouraged to enter their driveway/garage approaches at a slow speed to prevent damage to their vehicles. It is Buyer's responsibility to determine whether the driveway/garage approach for Buyer's Home is satisfactory and to verify that the height of the curb will provide adequate clearance for Buyer's vehicles.

4.15 Community Noise. The noise level within the Community varies depending on the day of the week and time of day. Noise levels may be higher with the increase of traffic, type of motor vehicle being driven, number of children traveling through and playing within the Community, during events and community gatherings and near retail and recreational areas. Buyer may hear noise from barking dogs. Traffic from highways and arterial roads in the vicinity of the Community will generate noise. Noise will also be audible from overflight of aircraft from Brown Field Municipal Airport. Also, regularly scheduled trash collection may occur during early morning hours and these vehicles may create noise and odors within the Community. Seller does not represent or warrant that the noise level will be constant and remain unchanged on any particular day of the week. Buyer should frequently visit the Community to experience and hear the type of noises and noise levels.

4.16 Security Disclaimer. Seller has not undertaken to provide any security for the Community or the

Neighborhood or for any person, personal property or homes in the Community. Although on-site personnel provided by Seller including, without limitation, any on-site manager, may be present at the Neighborhood, such on-site personnel will not be responsible for patrolling, monitoring or otherwise ensuring safety of residents, guests or the general public, particularly where the general public has open access to the Neighborhood. Whether or not Seller installs an alarm system for the home, Seller does not guarantee the security of the Neighborhood, the Home, the surrounding area, or the occupants and is not responsible for loss or damage relating to the security of the Neighborhood or the Home. Buyer understands that Seller has made no representations or warranties concerning the safety of persons, vehicles, personal property or homes in the Community. In addition, Buyer acknowledges and agrees that Seller is not a provider of security and has no duty to provide security on or around the Neighborhood and the Community.

4.17 Trash Collection. Trash will be collected from the homes in the Neighborhood on specific days, which will be determined by the trash service provider. Owners are obligated to contract with the trash collection provider selected for the Community for individual trash collection services. The costs for trash services will be billed to the homeowners directly by the trash service provider and ARE NOT part of the Community Association or Sub-Association regular assessments. Owners must store the trash bin in the garage at all times except on trash pick-up day. In addition, depending upon the configuration of homes, there may be a trash collection plan that is required by the trash collection service. Owners within such areas may be required to move their trash bins to and from a specific location (which may be a distance from the homes) on trash collection days. Owners may be limited in the number of trash bins that he or she may be permitted to leave out on trash collection days. There may be one or more locations in the Community where Owners may bring organic waste for collection.

4.18 Parking in the Neighborhood and Community. Buyer is required to park vehicle(s) in Buyer's garage. Limited parking within the Private Streets is available for guest parking. Parking within and around the Community is extremely limited. Buyer should carefully review all parking restrictions set forth in the Community Governing Documents and Sub-Association Governing Documents before purchasing the Home. Buyer must ensure that Buyer's garage accommodates at least the number of Authorized Vehicles (as defined in the Sub-Association Declaration) for which it was originally constructed. Buyer should review the provisions of the Sub-Association Declaration that prohibit and restrict the parking of trailers, boats, and other types of motor vehicles within the Neighborhood.

BUYER ACKNOWLEDGES THAT IT IS BUYER'S RESPONSIBILITY TO DETERMINE WHETHER THE PARKING PROVIDED IN THE COMMUNITY AND THE PUBLIC STREETS SURROUNDING THE NEIGHBORHOOD (IF ANY) IS SATISFACTORY FOR BUYER'S PURPOSES AND TO VERIFY THAT THE STANDARD HEIGHT AND DEPTH OF THE GARAGE IN BUYER'S HOME WILL PROVIDE ADEQUATE CLEARANCE FOR BUYER'S VEHICLES BEFORE BUYER EXECUTES THE PURCHASE DOCUMENTS FOR BUYER'S HOME.

CABINETS OR IMPROVEMENTS INSTALLED BY AN OWNER IN A GARAGE MAY NOT INTERFERE WITH INGRESS TO OR EGRESS FROM ANY VEHICLE PARKED IN SUCH GARAGE OR IN ANY WAY PREVENT THE ADHERENCE TO ALL APPLICABLE PARKING RULES, REGULATIONS, RESTRICTIONS AND/OR REQUIREMENTS.

THE CITY AND/OR THE COMMUNITY ASSOCIATION AND/OR THE SUB ASSOCIATION MAY ESTABLISH ADDITIONAL RULES REGARDING PARKING WITHIN THE PUBLIC AND PRIVATE STREETS SERVING THE COMMUNITY. EACH OWNER IS RESPONSIBLE FOR ENSURING THAT THE OWNER'S INVITEES COMPLY WITH ALL APPLICABLE RULES. THE COMMUNITY BOARD OR SUB-ASSOCIATION BOARD, AS APPLICABLE, MAY TAKE ALL ACTIONS NECESSARY TO ENFORCE ALL PARKING AND VEHICLE USE RESTRICTIONS FOR THE COMMUNITY OR NEIGHBORHOOD, AS APPLICABLE, INCLUDING REMOVING VIOLATING VEHICLES FROM THE COMMUNITY OR NEIGHBORHOOD, AS APPLICABLE, PURSUANT TO CALIFORNIA VEHICLE CODE SECTION 22658.2 OR OTHER APPLICABLE LAW.

BUYER CONFIRMS THAT BUYER HAS INSPECTED THE GARAGE IN RELATION TO THE SIZE OF BUYER'S MOTOR VEHICLE(S) AND THAT BUYER WILL BE ABLE TO ADHERE TO THE PARKING AND GARAGE RULES, REGULATIONS, RESTRICTIONS AND REQUIREMENTS.

4.19 Limited Number of Guest Parking Spaces. The availability of guest parking spaces within the Community is limited. Seller cannot guarantee that the parking needs of multiple Owners, family members, tenants, occupants, guests and invitees of the Neighborhood will be fully accommodated at all times due to the limited number of guest parking spaces. Seller makes no representations or warranties regarding the availability of onsite guest parking for all Owners, family members, tenants, occupants, guests and invitees at any given time. For more information about parking spaces for Buyer's Home, and onsite overflow and guest parking spaces in the Neighborhood and surrounding areas, Buyer should contact Seller's New Home Consultant in order to evaluate the sufficiency and suitability of the parking for Buyer's specific needs.

4.20 Locations and Heights of Fences and Walls and Home Boundaries. Seller reserves the right, in its sole and absolute discretion, to modify the height or location of any fence which is planned to be constructed or installed on or near Buyer's Home. The fence or wall built on the Home may not be directly over the property line of an Exclusive Use Easement Area and variations may occur. The grading of the Neighborhood may result in the boundary lines of homes not being located at either the top or the bottom of any slopes. The grading or topography does not establish the legal boundary of Buyer's Home. Buyer should consult a registered civil engineer as to any questions regarding boundaries.

4.21 Streetlights. Certain Private Streets may be lit with streetlights. Any streetlights that are installed will be installed in accordance with any applicable public utility company specifications. It is common in new communities for the streetlights to be installed but not energized until all residents move in. As a result, streets may be dark, and visibility may be limited at night. Seller has no control over or the authority to energize streetlights. The public utility company will energize streetlights based on its schedule and on the availability and location of power sources. Seller makes no representation regarding the location of the streetlights, the brightness of the streetlights and/or any reflection from glare that may occur on Buyer's Home. Buyer is advised that the Community Association and Sub-Association are not responsible to maintain any street lights located within public streets and have no control over such street lights.

4.22 Sustainability and Climate Consideration. In the future, composting, food waste initiatives, water reclamation initiatives and other sustainability and climate programs may be adopted. No representation or warranty is made as to whether such programs will be adopted, however.

4.23 Recycled Water. Recycled water may be used in connection with performing the maintenance obligations for the landscaping within the Community. Recycled water use is required in an effort to conserve water and is not potable or suitable for human consumption. It is possible that recycled water will migrate onto Buyer's Home. In addition, because water overspray may occur, the repeated spray of recycled water may stain or discolor personal property, fencing and structural improvements over time. Recycled water is generally disinfected with chlorine, and its clarity to the human eye is indistinguishable from potable water. The standards imposed for recycled water quality are established by various governmental regulatory agencies and these standards are subject to change. Neither Seller, the Sub-Association nor the Community Association is liable for any property damage or personal injury caused by recycled water.

4.24 Entitlements and Changes in Entitlements. The Community is subject to various entitlements issued by governing agencies such as the City. Entitlements may change over time and the Community may not be built as currently proposed. There is no guarantee that Seller and the Guest Builders will build out the Community to the maximum unit count or square footages approved by the City. Seller or the Guest Builders may propose changes to the entitlements which reduce or increase the permitted number of units and/or building square footages.

4.25 Future Improvements. In addition to obtaining the approvals required under the restrictive covenants applicable to the Home which Buyer is purchasing, Buyer must consult the appropriate governmental department to determine whether there are any restrictions or required permits pertaining to alterations of the Home before commencing any improvements. Before Buyer begins any improvements to Buyer's Home (e.g., patio or deck covers, etc.), Buyer should engage the services of a qualified, licensed professional and should take necessary precautions in designing and installing such improvements to comply with all applicable laws and regulations and to avoid damage to Buyer's Home and other improvements. The Home Buyer is purchasing may be subject to special restrictions such as easements that will impact design of future improvements. Seller makes no guarantee that any future improvements can be installed in the Home. Improvements installed within model homes may not be able to be installed within other homes within the Community or Neighborhood. It is Buyer's sole and absolute responsibility to determine whether improvements Buyer wants to install within Buyer's Home can be installed.

4.26 Marketing Activity. Seller and other Guest Builders may continue to market unsold homes for sale after Buyer moves into Buyer's Home. Seller and other Guest Builders may also use model displays ("***Models***") to market residences in other projects. Seller's and other Guest Builders' marketing activities may include operating Models and/or onsite sales office(s), displaying signs, balloons, flags, banners and conducting on-site events and other promotional activities. The ongoing marketing of residences may cause Buyer some inconvenience and may disrupt Buyer's enjoyment of Buyer's Home.

4.27 Urban Living. The homes within the Neighborhood are located in close proximity to each other. Buyer will hear noise from adjacent homes and surrounding uses. Smells from cooking and other activities may be experienced within the Neighborhood. In addition, there will be light entering homes from nearby residential and commercial buildings.

4.28 Community Common Area Activities, Lighting and Noise. It is anticipated that certain facilities within the Community will have night lighting which will be used in the evenings to allow continued use of such facilities. Lighting may be visible from homes within the Community. Noise generated by the use of these facilities may be heard from homes within the Community. There is no implication of added safety or security with respect to any lighting within the Community due to the installation of any lighting by the City, the Seller or any Guest Builder.

4.29 Construction and Sales Activity. Construction and sales activities may be occurring within and in the vicinity of the Community after Buyer moves into Buyer's Home. Seller and other Guest Builders may continue to market homes in the Community for sale after Buyer moves into Buyer's Home. The ongoing marketing of homes may cause Buyer some inconvenience and may disrupt Buyer's enjoyment of Buyer's Home. As a result, such sales activities may produce traffic from prospective buyers interested in other communities, and may continue in the Community even after the homes in the Community are sold out.

In addition, as a result of the ongoing construction activities, Buyer may be inconvenienced by increased noise, mud, dirt and dust resulting from construction activities (including the capping of streets with the final layer of asphalt following the build out of the Community). As disclosed in the Permit Impacted Zone Disclosure, construction may occur for an extended period of time. The following features and services of the Community may be temporarily interrupted and/or adversely affected during and after the build-out of the Community: infrastructure, street access and parking, and installation and/or usage of public and private utilities (water, electricity, cable television, telephones, sewers, storm drain, etc.). Construction hours often begin early. These conditions may impact Buyer and result in an adverse effect on Buyer's enjoyment of Buyer's Home.

4.30 Drainage. There can be no interference with the established drainage pattern over the Community unless adequate alternative provision is made for proper drainage pursuant to the Community Declaration.

4.31 Insurance.

(a) Community Association Insurance. The Community Declaration requires the Community Association to maintain general liability insurance, property insurance, worker's compensation insurance, and directors and officers insurance. The Community Declaration establishes procedures for the Community Association's obligation to repair or reconstruct certain portions of the Community Association Property and Community Association Maintenance Areas in the event such repair or reconstruction is not covered under the Community Association's insurance policy.

(b) Sub-Association Insurance. The Sub-Association Declaration requires the Sub-Association to maintain general liability insurance, property insurance, worker's compensation insurance, and directors and officers insurance. The Sub-Association Declaration establishes procedures for the Sub-Association's obligation to repair or reconstruct certain portions of the Common Area in the event such repair or reconstruction is not covered under the Sub Association's insurance policy.

(c) Owner Insurance. Buyer is obligated to maintain property and liability insurance policies for the Home. The Sub-Association WILL NOT insure improvements within the interior of the Home. It is Buyer's responsibility to insure all interior Home improvements and contents, as more particularly set forth in Article 10 of the Sub-Association Declaration. The Sub Association has the right to request copies of any insurance policy and Buyer must deliver a copy within fifteen (15) days of the Sub-Association's request. Seller recommends Buyer provide a copy of the Sub-Association Declaration and a copy of the Condominium Plan to Buyer's insurance carrier prior to the close of escrow to ensure the proper insurance coverage for the Home is obtained. Insurance amounts required under the Sub-Association Declaration are minimum amounts. Buyer is strongly advised to seek the advice of a qualified insurance consultant regarding appropriate amounts of property and liability insurance for Buyer. In addition, if the purchase of the Home is financed, Buyer should confirm that all lender insurance coverage requirements are met.

(d) Insurance Coverage Costs and Availability. The cost of property and homeowner's insurance has, in some areas, been significantly increasing and more difficult to obtain, particularly in areas deemed by insurers to have a higher risk of fire. Some insurance carriers have been declining to provide or renew coverage. When available, the policies offered may be significantly more expensive, may have higher deductibles or self-insured retentions, and/or may provide less coverage. If insurance costs for the Community Association or Sub Association increase beyond the costs anticipated by the budget provided to Buyer, or if there is a casualty loss that affects the insured property and there is not sufficient coverage and reserves to cover the loss, subject to the restrictions contained in the Community Declaration or Sub Association Declaration and applicable law, regular assessments may be increased and/or special assessments may be assessed to cover the additional costs to the Community Association or Sub-Association. The Community Association or Sub-Association may not approve additional assessments to cover the additional costs. The scope of insurance coverage is also subject to the requirements of the Buyer's lender or any future lender chosen by Buyer for refinancing. Buyer is strongly encouraged to consult with a licensed insurance agent regarding the availability, cost and/or scope of insurance where the Community is located before purchasing and confirm that such coverage will meet the requirements of Buyer's lender. The cost, availability, and scope of property and homeowner's insurance coverage is subject to change and may continue to worsen in the future.

THE BUDGETS DO NOT PROVIDE FOR AND NEITHER THE SUB-ASSOCIATION NOR THE COMMUNITY ASSOCIATION ARE OBLIGATED TO MAINTAIN EARTHQUAKE INSURANCE.

4.32 Mailboxes. As a general rule, the United States Postal Service ("***Postal Service***") no longer provides curbside delivery to new communities. Instead, cluster mailboxes will likely be installed and used at one or more delivery points in the Neighborhood. The local Postal Service manager must approve the mailbox sites and the types of mailbox equipment. Mailbox sites may be within the Home, within any common areas in the Neighborhood or the Community, or as the Postal Service may otherwise determine. The mailbox sites, equipment type, and method of delivery may change from time to time in the Postal Service's discretion, unless the Postal Service has otherwise previously agreed in a specific instance. Once a location is determined, residents and homeowner associations may not move the mailboxes. Packages may be placed in special lockers in the cluster mailbox units; however, if a package does not fit within the cluster mailbox unit, or if there are insufficient lockers, the package recipient may be required to retrieve the package at the local post office.

The Postal Service determines the method of mail delivery on a community-by-community basis. Adjacent communities may receive mail delivery on a different basis than the centralized delivery method authorized for the Neighborhood. A particular method of mail delivery to residences in other completed or partially-completed subdivisions or neighborhoods does not establish the method of delivery for homes within the Neighborhood. Notwithstanding any information provided by Seller or any other third party regarding the potential use of mailboxes or other methods of delivery, Buyers are advised that the Postal Service has sole discretion to determine the method of mail delivery for the Neighborhood.

Until (i) the cluster mailbox units or other delivery receptacles are installed and approved by the Postal Service or (ii) a certain number of homes are occupied in the Neighborhood, residents may be required to pick up their mail via general delivery service at the local post office. For further information, please contact Seller's New Home Consultant.

4.33 Sub-metered Water Service. The homes in the Neighborhood are sub-metered which means that domestic water service is not separately metered by the water provider to measure individual unit usage, but is instead provided to the Neighborhood through a single meter for each building and then privately sub-metered to each of the homes in the Neighborhood. The Community Association will receive a single water bill from the water provider, representing all water provided to the homes in the Neighborhood during the billing period. Buyer will be responsible for paying for the water supplied to their Home, as measured by the water submeter installed for each applicable home. To calculate the cost chargeable to each applicable home for water service, the Community Association will hire a metering service company (the "***Metering Company***") to read the water submeters and prepare the individual sewer and water bills for delivery to Buyer (if applicable) ("***Utility Assessment***"). Buyer will be responsible for payment of the Utility Assessment, which is in addition to all other assessments levied by the Community Association, to the Metering Company.

4.34 Post Tension Slabs. It is anticipated that the homes in the Neighborhood will be supported on a post-tension foundation. Buyers must be aware of the following regarding post-tension foundations: the slab contains stressed steel cables. Any drilling, excavating, or other disturbance of the slab could damage the slab and cables and could result in serious injury or death. If damaged, the slab will not function as designed. No one, including any buyer or occupant of any home built on a post-tensioned concrete slab, shall drill into, excavate, or otherwise disturb the slab without prior consultation with a qualified structural engineer or other appropriately qualified consultant. Improper disturbance of the slab could result in serious injury or death.

4.35 Water Quality Laws. Buyer's Home, the Neighborhood, and the Community are subject to the requirements of applicable water quality management plans and other water quality restrictions and requirements established under federal, state and local laws ("***Water Quality Laws***"). Water Quality Laws generally require property owners to employ water runoff management practices in an effort to protect the natural environment surrounding the Home and the Neighborhood. These practices are commonly referred to as "Best Management Practices" or "BMPs." While some BMPs apply during the construction of homes and other improvements within the Neighborhood, Buyer will also be responsible for complying with some BMPs following Buyer's closing. BMPs applicable to residents generally require each resident to take appropriate actions to control the quality of water that runs off from their homes. The quality of runoff is important because storm drains collect runoff and send it directly into local waterways without, in most cases, being treated. Therefore, BMPs are a method to prevent the pollution of water entering the Community and the Neighborhood storm drain systems and flowing into area waterways. The following is a list of examples of BMPs that likely apply to Buyer.

o Buyer may not remove temporary BMPs on Buyer's Home or nearby areas such as sand bags or other temporary erosion control measures until Buyer has installed appropriate landscaping.

o Buyer may not remove permanent BMPs on Buyer's Home such as rain gardens or water collection cisterns.

o Buyer may not discharge toxic chemicals or hydrocarbon compounds such as gasoline, motor oil, antifreeze, solvents, paints, paint thinners, wood preservatives, or other such materials into any street, public or private gutters, storm drains, or storm water conveyance systems. Buyer should consult with the governmental authorities and the refuse hauler in the area concerning the proper disposal of any toxic or hazardous materials.

o Buyer must ensure that the use and disposal of pesticides, fungicides, herbicides, insecticides, fertilizers, and other such chemicals meets Federal, State, and local governmental requirements. Buyer is advised to use all such chemicals sparingly according to the directions on the original container and to avoid their use if rain is forecasted.

o Buyer must prevent surface erosion, sediment, and grass clippings or other green waste from leaving the Home and going into the street and storm drain inlets all year long, even after all the landscaping on the Home is completed. Stockpiling dirt, sand, or other landscaping material that could be washed into the street and storm drain inlets is prohibited.

For more information, Buyer should review the Governing Documents, any water quality technical report or storm water management plan recorded against the Home or otherwise provided to Buyer, local laws relating to water quality, and any other information provided to Buyer regarding water quality. Buyer may also contact the following municipal office for more information:

City of Chula Vista Public Utilities Department
Address: PO Box 129020
Chula Vista CA 92112-9020 Phone Number: 619-515-3500

Any penalties or other liability for violations of Water Quality Laws from activities on Buyer's Home after the closing of Buyer's Home will be Buyer's responsibility.

4.36 Sales Activity. Sales activities will be occurring within and in the vicinity of the Neighborhood and the Community. This may result in inconvenience to residents in the Neighborhood, due to increased light, noise and traffic from the operation of the model homes and the Welcome Home Center. Seller reserves the right for itself and for its successors and assigns to operate the Welcome Home Center and to display signs and banners in connection with its program of marketing and selling homes in the Neighborhood. In addition, Seller may tour prospective buyers through the Neighborhood and may use parking spaces within the Neighborhood for Seller parking and prospective buyer parking.

V. ADJOINING AREA DISCLOSURES FOR THE COMMUNITY AND THE NEIGHBORHOOD

5.1 General Character of the Lands Surrounding the Community. The Community is located in the City immediately south of Olympic Parkway in an area of Chula Vista which includes a variety of uses. The Otay Landfill is located immediately south of the Community. Certain buyers may find the Otay Landfill unsightly and may find that the landfill creates noise, smells and other impacts which may impact with the use and enjoyment of a home within the Community. All of these uses generate a variety of impacts which may be considered by some to be nuisances. Seller has no control or responsibility for surrounding uses and the impacts and/or nuisances associated with such use. Seller strongly recommends that Buyer drive and walk around or otherwise carefully investigate the Neighborhood and the Community and the surrounding area at various times of the day and night to become familiar with local conditions such as traffic, noise, nuisances, weather conditions, current and prospective future development, and other factors. Buyer should assess Buyer's sensitivities to these conditions prior to executing a purchase agreement because different conditions may impact the purchasing decision on an individual basis.

For additional information, Buyer should review the websites of local governmental agencies, municipalities, cities, counties, and the state, along with utility providers, school districts and any other websites which might provide information regarding the surrounding property. However, these websites may contain errors and inaccuracies. Seller does not operate, control, influence or endorse any of the websites, and expressly disclaims all liability for any information provided on such websites.

5.2 Commercial and Industrial Uses. There are many commercial and industrial businesses located in the vicinity of the Neighborhood and the Community, some of which are described below. As a result, the Community will be subject to increased truck and other noise, dust, traffic, activity and other nuisances. Residents may be able to see these facilities and uses from areas within the Community and may consider these uses to be unsightly. Seller has control over the commercial and industrial businesses.

5.3 Otay Landfill. The Otay Landfill is located immediately south of the Community. A portion of the Otay Landfill includes a former Class I (hazardous waste) landfill that was closed in 2000. The Otay Landfill facility will generate noise, unpleasant odors, birds, bird excrement, pests, dirt, dust, traffic, vibrations and other impacts in the Community. Odors from the Otay Landfill may vary due to numerous factors such as wind direction and temperature. Bird control measures utilized by the Otay Landfill may include sonic technology such as firecracker-like sounds and loud booms that may be audible from the Community. For additional information regarding the Otay Landfill, Buyer should visit https://otaylandfill.com. The Otay Landfill is regulated by the County of San Diego Department of Environmental Health which can be reached at (858) 694-2888. A Landfill Nuisance Easement may be recorded against portions of the Community. Buyers of homes subject to the Landfill Nuisance Easement are encouraged to review the easement. Additional information about the Otay Landfill is provided below in the section titled "Environmental Site Assessment."

5.4 Otay Valley Rock Quarry and Vulcan Materials. The Otay Valley Rock Quarry and Vulcan Materials plant is located approximately 1.5 miles southeast of the Neighborhood. This facility is a major producer of construction aggregates, primarily crushed stone and gravel, as well as aggregates-based construction materials, including asphalt and ready-mixed concrete. Explosives are used by the quarry and may create vibrations and noise. Buyer may experience noise, dust and other impacts from the quarry. Loud banging sounds may be heard from the quarry and such noises may be heard during operating hours of the Otay Valley Rock Quarry and Vulcan Materials. Truck activity associated with quarry activities may increase in the future.

5.5 Vehicle Recycling and Wrecking Facilities. Several vehicle recycling and wrecking facilities are located immediately south of portions of the Otay Landfill, approximately 0.5 miles south of the Neighborhood. The Neighborhood and other areas of the Community may be subject to noise, smells and increased truck activity as a result of proximity to these facilities. The facilities may be unsightly and may be visible for portions of the Community. Seller has no control over the property where these facilities are located and makes no guarantee regarding the continued use of these properties for vehicle recycling and wrecking facility purposes.

5.6 Freeways, Highways and Busy Roads. The Neighborhood is located approximately 0.5 miles east of the 805 Freeway and immediately adjacent to Olympic Parkway which is a main thoroughfare in the area. In addition, there are other regional, local arterial and interior roads in the vicinity of the Community that may cause noise and vibration within the Community. Buyers may experience noise from use of nearby highways and main roads as well as other problems associated with traffic congestion in the area of the Community. Traffic on nearby roads will probably increase as a result of additional development in areas surrounding the Community, although it is difficult to predict the timing and magnitude of this impact. Seller has no control over the future construction of roads or the traffic levels. Streets located near or within the Community may be subject to flooding during rains. In addition, one or more of the streets and freeways may be visible from portions of the Community.

Living in close proximity to heavily traveled roads and highways will increase exposure to vehicle exhaust including without limitation, diesel exhaust. Information regarding the effects of diesel exhaust can be found at https://oehha.ca.gov/media/downloads/calenviroscreen/indicators/diesel4-02.pdf.

An Exterior-to-Interior Noise Study, dated February 2023, was prepared for the Community by Dudek ("***Noise Study***"). The Noise Study analyzed areas within the Luna, Matiz and Soleil Neighborhoods of the Community facing Olympic Parkway. According to the Noise Study, with the installation of enhanced windows, noise levels within the sample areas were expected to be compliant with City standards.

5.7 NOTICE OF AIRPORT 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. Buyer may wish to consider what airport annoyances, if any, are associated with the property before Buyer completes purchase or lease and determine whether they are acceptable to Buyer.

(a) Brown Field Airport. Brown Field is located approximately 2.5 miles south of the Neighborhood and other portions of the Community. The Community is subject to the overflight, sight and sound of aircraft and helicopters operating from Brown Field. Buyer may see, hear and have frequent interference of certain activities by aircraft and/or helicopters operating to and from Brown Field. In addition, military aircraft sometimes use Brown Field for military exercises. Noise from military aircraft may be louder than noise from general aviation aircraft.

Furthermore, if developed as planned, the Metropolitan Airpark Mixed-Use Development is planned to commence construction within Brown Field to include new hangars, executive jet aviation office, helicopter and general aviation hangers and supporting maintenance and light industrial office uses, industrial, as well as hotel and restaurant development, and residential. If developed as planned, the Metropolitan Airpark Mixed-Use Development may result in increases in the number of flights and the size of aircraft which would utilize Brown Field, as well as increased traffic and activity in the vicinity of the Community. For additional information about this project, Buyer is encouraged to contact the Otay Mesa Chamber of Commerce and the City. Other expansions to Brown Field could be made in the future. Seller does not have control over flight schedules or the use of the Brown Field Municipal Airport. The frequency of flights to and from the Brown Field Municipal Airport may increase at any time without notice.

(b) Tijuana International Airport. The Tijuana International Airport is immediately south of the United States border and is located approximately 4.5 miles south of the Neighborhood and other areas of the Community. The Tijuana International Airport is Mexico's second northernmost airport and it includes a "Cross Border Xpress" terminal on the United States side of the border and a bridge connecting the Tijuana International Airport with that terminal. The Neighborhood is subject to the overflight, sight and sound of aircraft operating from Tijuana International Airport. Buyer may see, hear and have frequent interference of certain activities by aircraft operating to and from Tijuana International Airport. Seller does not control flight schedules or the use of the Tijuana International Airport. The frequency of flights to and from the Tijuana International Airport may increase at any time without notice.

5.8 Mexico/U.S. Border. The Neighborhood is located approximately 4.0 miles north of the international border with Mexico. The Cross Border Xpress facility is located approximately 1 mile southeast of the Neighborhood and there are other border crossings in the vicinity of the Neighborhood and the Community. The border crossings may cause increased traffic in the areas around the Community.

5.9 Correctional and Detention Facilities.

(a) George F. Bailey Detention Facility. The George F. Bailey Detention Facility is located approximately 5.0 miles southeast of the Community. The George F. Bailey Detention Facility is a maximum security facility with a Board of State and Community Corrections rated capacity of 1,380 inmates although the number of occupants may exceed this number. The facility provides medium and maximum security for inmates serving sentences longer than one year.

(b) East Mesa Reentry Facility. The East Mesa Reentry Facility is located approximately 5.0 miles southeast of the Community. The East Mesa Reentry Facility is a Type II medium security facility operated under the Chula Vista County Sheriff's jurisdiction with a Board of State and Community Corrections rated capacity of 760 beds and currently has over 900 beds, although the number of occupants may exceed this number. The state prison provides medium and maximum security for inmates serving sentences longer than one year.

(c) Richard J. Donovan Correctional Facility. The Richard J. Donovan Correctional Facility is located approximately 4.5 miles southeast of the Community. The Richard J. Donovan Correctional Facility is a state prison operated by the California Department of Corrections and Rehabilitation. The state prison provides medium and maximum security for inmates serving sentences longer than one year. It is a 780-acre site with a design capacity of approximately 3,500 individuals although the number of occupants may exceed this number.

(d) East Mesa Juvenile Detention Facility. The East Mesa Juvenile Detention Facility is located approximately 5.0 miles southeast of the Community. The East Mesa Juvenile Detention Facility is a maximum-security detention facility that operates twenty-four (24) hours a day for minors involved in criminal activities awaiting the adjudication process.

(e) Otay Mesa Detention Center. The Otay Mesa Detention Center is located approximately 6.0 miles southeast of the Community. It is a minimum / medium security federal prison for men, managed by the Corrections Corporation of America under contract with the United States Marshals Service and U.S. Immigration and Customs Enforcement (ICE).

5.10 North Island Credit Union Amphitheatre. The North Island Credit Union Amphitheatre is located approximately 1.0 mile south of the Community. This facility hosts live concerts and other entertainment and may impact the Community with noise, significant traffic, lights and other impacts associated with such a facility. Concerts and other events occur at the amphitheater throughout the year, and frequently occur at night. When visiting the Community, events might not be occurring at the amphitheater and therefore, the traffic and noise impacts may not be evident. However, due to the close proximity of the amphitheater, Buyer can expect to be impacted when events are occurring. For more information, please contact North Island Credit Union Amphitheatre.

5.11 Future Adjacent Land Uses. Seller makes no representations about future land uses on adjacent or nearby properties. Plans for redevelopment of any adjacent property could have an effect on the Neighborhood and the Community. Seller does not control the land use or zoning of the adjacent properties. Because general plans and zoning are subject to change, Buyer is encouraged to check with the City Planning Department or any other appropriate City or County Department regarding proposed land uses surrounding and in the vicinity of the Neighborhood and the Community.

VI. NATURAL HAZARDS/ENVIRONMENTAL DISCLOSURES/SOILS

6.1 Environmental Site Assessment, Methane and Soil VOC Vapor Mitigation. A Phase I Environmental Site Assessment for the Community site was performed by Geosyntec Consultants ("***Geosyntec***"), dated February 2020 ("***Phase I***"). The Phase I revealed no evidence of recognized environmental conditions in connection with the Community site except as described as follows. According to the Phase I, and as disclosed in more detail above, portions of the Otay Sanitary Landfill are located immediately southeast and south of the Community site. According to the Phase I, the Class III portion of the landfill is equipped with a landfill gas control system ("***LFGCS***") and a perimeter probe monitoring network which is routinely monitored under the direction of the County of San Diego Local Enforcement Agency. Historical investigations were performed in the 1990s to assess potential impacts to the Community site from the adjoining landfill properties. These investigations identified subsurface methane that had migrated beneath the Community site from the Class III landfill at relatively low concentrations of up to 3,300 parts per million (ppm) methane. To address the absence of recent soil vapor data for the Community site, additional limited soil vapor investigations were conducted at the Community site in January 2020, and again in May 2023, to evaluate the then-current onsite subsurface soil vapor conditions and potential subsurface impacts attributable to the adjoining Otay Class III landfill. According to the Soil Gas Investigation Summary by Geosyntec dated May 26, 2023 and the Supplemental Soil Gas Investigation Summary by Geosyntec dated June 27, 2023, ("***Soil Gas Reports***"), the soil vapor investigations documented methane was detected in the samples at concentrations up to 4.2% by volume, indicating that the LFGCS may not be effectively controlling the migration of methane from the adjoining Class III landfill.

According to the Soil Gas Reports, low-level concentrations of volatile organic compounds ("***VOCs***"), including Benzene, Ethylbenzene, Chloroform and Tetrachloroethylene were also detected in one or more soil vapor samples collected at the Community site, including some at concentrations above their respective screening levels for residential use. Long term exposure to these VOCs may cause cancer and other health effects. Methane is a lighter than air, colorless, odorless gas, which is non-toxic and non-carcinogenic, and which is the primary constituent (about 85%) of the gas burned in kitchen stoves and ranges. Methane is potentially combustible if present within a confined space at concentrations greater than approximately 5.0% by volume or approximately 50,000 parts per million by volume ("***ppmv***"). In very high concentrations, in a confined space, methane gas can dilute the air, thereby lowering the oxygen concentration to the point that the mixture becomes an asphyxiant. Based on the proximity of the Landfill to the Community and the presence of methane and VOCs, Geosyntec recommended mitigation measures for all the residences within the Community ("***Affected Residences***"), entitled the Methane & Soil Gas VOC Mitigation System ("***Mitigation System***"), to mitigate the potential impacts of soil VOC vapors and methane. The Mitigation System Plans and Specifications describe the design parameters of the recommended mitigation systems that will be installed in each Affected Residence. The elements of the Mitigation System design for the Community will be described in the Declaration of Covenants, Conditions and Restrictions Regarding Soil Vapor ("***Soil Vapor Declaration***") and may include permeable layers of sand beneath the slab, a subslab passive or active ventilation system, an impermeable soil vapor membrane, conduit seals and utility trench dams. There may be testing and inspection requirements associated with these Mitigation Systems. The individual buyers and the Community Association will be responsible for maintenance and inspection. Buyer should review the applicable provisions in the Community Declaration and Soil Vapor Declaration relating to the presence of methane and soil VOC vapor at the Community, including the provisions regarding Buyer's indemnity and release of Seller, and their respective officers, directors, shareholders, managers, members, partners, employees, contractors, attorneys, representatives, agents, successors and assigns from liability arising from the presence of methane and soil VOC vapors at and around the Affected Residences and from the failure to operate, inspect and maintain the Mitigation System.

Each Owner is responsible for notifying any tenant, lessee or future Owner of the existence of methane and soil VOC vapors and the existence of the Mitigation Systems and must provide all disclosures and related information to any subsequent buyers.

Based on these findings and the results of its other investigations, Geosyntec determined that although additional monitoring may be conducted to determine whether different means and methods of mitigation are appropriate, no further studies or action, other than the above, are warranted from an environmental standpoint. However, the conclusions reached by Geosyntec have been based on limited sampling and analyses of near-surface soils and soil vapor; because of such limitations, residual chemicals and contaminants not previously detected may still be present in the soils and may still pose health risks to owners, occupants and residents of the Community. Accordingly, Seller is not able to make any representations or warranties concerning the health and other risks posed by the environmental condition of the Home or the impact that any residual chemical concentrations still present in the soils may have on the health and safety of owners, occupants and residents of homes in the Community.

The Phase I and Soil Gas Reports will be available for review by Buyer upon request.

6.2 Natural Hazards Zone Disclosures. The following disclosures are made from information provided in the Master Property Disclosure Report prepared for Seller by First American, dated October 21, 2022 ("***Master Natural Hazard Disclosure Statement***"). In addition, Seller will provide Buyer with a natural hazard report in compliance with California Civil Code Section 1103, et seq., which may be more up-to-date than the disclosures made below and will apply to Buyer's individual Home ("***Individual Natural Hazard Disclosure Statement***"). Notwithstanding any other provision of this Disclosure, Buyer should consider any disclosures contained in the Individual Natural Hazard Disclosure Statement provided to Buyer by Seller as controlling in the event they conflict with this Section.

Buyer is advised to carefully review the Individual Natural Hazard Disclosure Statement provided to Buyer by Seller to determine which natural hazard zones apply to Buyer's Home. The Individual Natural Hazard Disclosure Statement is for disclosure only. It is NOT an insurance policy and is subject to the terms and conditions set forth in the Individual Natural Hazard Disclosure Statement. If the Home Buyer is considering purchasing is located within a natural hazard zone, it may not be possible to obtain certain types of insurance, or the premiums for such insurance may be more expensive. Buyer is advised to consult with an insurance broker regarding the availability and cost of insurance for the Home. The Individual Natural Hazard Disclosure Statement is prepared based on public records, may not be all inclusive and is subject to change. Seller has no control over or responsibility for the accuracy of either the Master Natural Hazard Disclosure Statement or the Individual Natural Hazard Disclosure Statement or for changes should they occur. Seller is not responsible for updating Buyer should a change in natural hazard zones occur. Before purchasing the Home, Buyer should carefully review and investigate the conditions set forth the Individual Natural Hazard Disclosure Statement to Buyer's satisfaction.

According to the Master Natural Hazard Disclosure Statement: (i) all or portions of the Community are located in an area mapped for Expansive Clays; (ii) all or portions of the Community are located within 660 feet of a designated Fault Location; (iii) all or portions of the Community are located within a designated Landslide Hazard Area; (iv) all or portions of the Community are located in a designated Steep Slope Area; (v) all or portions of the Community are located in a High Wildland Fire Hazard Zone; (vi) the Community is located within one (1) mile of property zoned to allow for commercial or industrial use; (vii) the Community is located within the vicinity of an airport and is in an airport influence area (Brown Field Airport); and (vii) the Community is located within a one (1) mile radius of designated Important Farmland.

6.3 Airport Proximity and Airport Influence. The Community is presently located in the vicinity of Brown Field 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. Buyer may wish to consider what airport annoyances, if any, are associated with the property before Buyer completes Buyer's purchase and determine whether these annoyances or inconveniences are acceptable to Buyer.

6.4 Notice Regarding Gas and Hazardous Liquid Transmission Pipelines. The following notice is given pursuant to California Civil Code Section 2079.10.5:

> This notice is being provided simply to inform Buyer that the information about the general location of gas and hazardous liquid transmission pipelines is available to the public via the National Pipeline Mapping System (NPMS) internet web site maintained by the United States Department of Transportation at http://www.npms.phmsa.dot.gov/. To seek further information about possible transmission pipelines near the property, Buyer may contact Buyer's local gas utility or other pipeline operators in the area. Contact information for pipeline operators is searchable by ZIP Code and county on the NPMS internet website.

6.5 Notice of Right to Farm. The Community 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 Community 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 at any time during the 24-hour day. Individual sensitivities to those practices can vary from person to person. Buyer may wish to consider the impacts of such agricultural practices before Buyer completes Buyer's purchase. Please be advised that Buyer 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.

6.6 Natural Disasters. As part of living in an ever changing environment, certain natural events that are beyond the control of any individual or entity will inevitably take place. Floods, fires, mudslides, landslides, high winds and earthquakes are just a few of the many "Natural Disasters" that might occur. Due to the inherently unpredictable and destructive nature of natural disasters, it is impossible for Seller to construct Buyer's Home to withstand all natural disasters. It is Buyer's sole responsibility to review Buyer's insurance policy for the Home to ensure that Buyer has adequate coverage for any damage caused by Natural Disasters, including without limitation floods, fires, mudslides, landslides, high winds and earthquakes. Seller makes no representation or warranty as to whether Buyer's Home in the Neighborhood will withstand any form of Natural Disaster, or the availability, coverage or cost of such insurance in case of such Natural Disasters.

6.7 Notice of Commercial or Industrial Uses in Vicinity. The Community is located within one mile of a property zoned for commercial or industrial use. For that reason, the property may be subject to some of the annoyances or inconveniences associated with proximity to commercial and industrial operations (for example: noise, vibration, or odors). Individual sensitivities to those annoyances can vary from person to person. Buyer may wish to consider what annoyances, if any, are associated with the property before Buyer completes Buyer's purchase and determine whether they are acceptable to Buyer.

6.8 Seismic Activity. California is subject to a wide range of seismic activity, and there are many known faults and as yet undiscovered faults in California. Many portions of California are subject to risks of damage from seismic activity and "earthquakes." Buyer must evaluate the potential for future seismic activity which might seriously damage Buyer's property and improvements at the Community. A major earthquake could cause very serious damage to Buyer's Home even if the epicenter of the earthquake is not near the Community. A more moderate earthquake occurring on a more minor fault, or on an as yet undiscovered fault, could also cause substantial damage. According to the Master Natural Hazard Disclosure Statement, the Community is located within 660 feet of a Fault Location and according to the soils report for the Community. The State of California has provided a booklet online that identifies seismic hazards and additional information regarding earthquakes for homeowners entitled the "Homeowner's Guide to Earthquake Safety" and it can be downloaded at: https://earthquake.ca.gov/wp-content/uploads/sites/8/2022/12/20-01_hog-1.pdf. Sellers make no representations or warranties as to the degree of earthquake risk within the Community or any other related seismic matters and Buyer is advised to consult with the City, other public agencies and appropriate experts to evaluate the potential seismic risk at the Community.

6.9 City-Determined Wildland Fire Hazard Zone. According to the Master Natural Hazard Disclosure Statement, all or portions of the Community are within a City-determined Wildland Fire Hazard Zone. Wildland fire risk zones are areas that have steep slopes, limited precipitation, and plenty of available fuel, or combustible plant material. Since Chula Vista receives limited precipitation, the potential for wildland fires represents a significant hazard within areas of the City. Properties in a Wildland Fire Hazard Zone may have a higher risk for fire damage and, therefore, may be subject to additional construction requirements, additional maintenance responsibilities, and/or increased insurance requirements. Buyer is advised to contact the local fire department for a complete list of requirements and exceptions. Buyer should also review the Fire Protection Plan for the Community. Seller makes no representations, guarantees or warranties regarding any fire zone determinations.

6.10 Soil Conditions. Buyer acknowledges that a soils report is available to Buyer for review in the Welcome Home Center. Buyer acknowledges and agrees that no representation or warranty is made as to the scope or accuracy of the information set forth in the soils report and that Buyer may not rely upon Seller's soils report when constructing improvements. Buyer should obtain Buyer's own soils report prior to constructing improvements. The summary below is a brief summary of the soils conditions within the Community.

(a) Fill Soil. Some portions of the Community are constructed on fill soil in accordance with the recommendations and inspection of licensed civil and soils engineers. After placement of the fill, homes constructed on fill soil will demonstrate some post placement settlement. The soils report certifying the compaction of fill soils is available for review in the Welcome Home Center. Buyer acknowledges that many areas have soil types which are known to be expansive in nature. Buyer further understands that in some cases soils may contain subterranean rocks or have unusual soil characteristics such that the installation of pools, spas, landscaping and other improvements which require digging, trenching or other excavation may be more difficult, expensive and sometimes not possible.

(b) Expansive Soil. Soils in certain portions of the Neighborhood are expansive in nature. Expansive soil will expand when it becomes wet and contract when it dries out. This expansion and contraction may cause movement, lifting, cracking and distress in slabs, patios, sidewalks and other flatwork improvements. Buyer should be aware that over-watering the soil or ponding of water adjacent to the foundation may cause additional damage to the structures or accelerate the time period over which said damage occurs. By its very nature, concrete will crack. Since movement of improvements constructed on expansive soil is normal and will occur, Buyer should take this into account in the design of improvements that Buyer constructs. Buyer should advise Buyer's contractors, engineers and/or architects of the presence of these expansive soils so that their effect may be mitigated by appropriate design and construction techniques.

(c) Deep Alluvium Conditions. Soils in some areas of the Neighborhood may contain deep alluvium conditions with a potential of minor differential settlement. All improvements constructed by Buyer should take such potential settlement into account. Differential settlement could cause movement of and cracks in sidewalks.

(d) Corrosive Soil. Soils reports indicate that soils in some portions of the Neighborhood contain levels of chlorides which cause the soils to be corrosive. Corrosive soils may damage buried metals and concrete and should be taken into account in the construction of below-grade structures and hardscape. Buyer understands, acknowledges and accepts that over watering soil will exacerbate the corrosivity of the soil. Buyer should inform contractors of this potential condition to allow them to use appropriate measures to combat the effects of corrosive soil on buried metals, below grade structures and hardscape.

(e) Slopes. The Community is located within or adjacent to steep slopes which may cause slope instability, landslides, debris flow or mudslides. Some of these slopes may be constructed with buttresses and/or shear keys or other improvements to support stability. Excessive irrigation can make slopes unstable. Therefore, it is important that irrigation systems are properly maintained against excessive irrigation and/or leaks.

(f) Undesired Gases and Other Contaminants. The aging process of soil and other elements created by nature, as well as building materials developed by man, may create unwanted and undesired gases and other contaminants in homes, both new and previously occupied. In addition, homes that are built in accordance with recent energy conservation laws and standards enacted by the State of California generally have fewer air leaks, and as a result, outdoor air does not readily flow indoors and exchange with indoor air as easily as it did in older construction. Reduced air exchange means that unwanted gases and other contaminants can build up more easily in new construction. The quality of indoor air can affect human health, and Seller recommends that Buyer regularly operate the exhaust fans and ventilation systems installed in the home and open windows or doors from time to time to allow fresh outdoor air to move indoors.

6.11 Drought. The State of California is prone to droughts or long periods of extremely dry weather, as California has been experiencing. During periods of drought, the City, County, and/or applicable water district may limit the availability of water to the Community or implement a water rationing program, and the price of water may increase significantly. There may also be insufficient water for landscaping or other purposes and the City, County, and/or applicable water district may even prohibit the use of water for landscaping during periods of drought. Due to restrictions imposed by the City, County and/or applicable water district, owners and/or the Community Association may be limited in, or restricted from, watering landscaping. Although the Community Association may be restricted from fining owners for not watering landscaping during a drought-caused state of emergency, the Community Association may issue fines for other landscaping and maintenance related violations, including permitting dried landscaping to become a fire hazard. Seller makes no representations or warranties regarding, and has no control over, the availability of water, the cost of water or the future fate of common area landscaping in the Community if water service is changed in the future. Landscaping throughout the Community (including common area landscaping) may become unsightly and may not remain in the same condition as it was prior or at the time Buyer purchased Buyer's Home or as depicted in advertising materials for the Community. In addition although Buyer may see model homes with extensive plantings and landscaping. This appearance may not represent how the front and back yards may look as drought restrictions which limit the watering of plants and grass are imposed. For information regarding the City's existing water ordinance on conservation requirements, proposed rationing plans or for tips on water conservation, Buyer should contact the Water District.

6.12 Notice of Duct Sealing and Testing Requirements. The California Energy Commission requires duct sealing and testing in all California climate zones when such a system is installed or replaced in a home. Once a contractor installs, tests and fixes the ducts, a third party verifier must confirm that the ducts are properly sealed. An owner may be subject to penalties and fines that must be paid prior to selling the home if the contractor fails to obtain the required building permit. Additionally, local governments may impose more stringent requirements. For more information, please contact the California Energy Commission.

6.13 Native Animals in Area. Due to the proximity of open space to the Community, native animals, including but not limited to snakes, raccoons, rats, moles, mice, wild rabbits, mountain lions, skunks, squirrels, coyotes, bobcats, deer, hawks, gophers, poisonous snakes, poisonous insects and spiders etc., have been found in the surrounding areas. Depending on the season, typical insects encountered will be ticks, fleas, gnats, flies, mosquitoes, spiders, ants, crickets, aphids, snails, bees and termites. Buyer is advised of the potential danger connected with the existence of these animals in proximity to the Community, and the possible effects such wildlife and insects may have on the Home Buyer is purchasing, and is aware that mice, ants and other animals and insects may enter the Home. Rodents, gophers and other pests can damage graded and natural slopes by burrowing tunnels and creating habitats. It is Buyer's responsibility to control or otherwise abate the impact of such rodents and pests. Buyer may need to perform necessary rodent and pest abatement and control efforts or secure the services of rodent and pest abatement contractor(s). It will be Buyer's responsibility to employ pest abatement contractors that understand integrated pest management practices to limit pesticide and fertilizer exposure to surrounding open space and environmentally sensitive areas.

VII. ABOUT BUYER'S HOME

7.1 Air Conditioning. The air conditioning system and equipment specifications installed in the model homes may vary and operate at a higher capacity than those provided as part of Buyer's Home. Buyer is encouraged to speak with Seller's New Home Consultant to determine the exact equipment specifications that will be provided with Buyer's Home. The location of the air conditioning compressor may vary between the model and Buyer's Home and between Buyer's Home and other homes in the Neighborhood. Noise from operation of the air conditioning system for Buyer's Home and for other homes within the Neighborhood may be audible within Buyer's Home. Buyer will not have control over operation of other Owner's air conditioning systems, which may operate at all hours of the day and night.

7.2 Alarm System. If Buyer purchases an alarm system from Seller, Buyer specifically waives any claims against Seller as a result of any failure of the alarm system to warn, frighten off, or alert anyone about intruders or any other problems. The sale of such system to Buyer by Seller is not a guarantee or warranty against criminal acts. Seller is not an insurer against criminal acts.

7.3 Brass Plumbing/Light Fixtures/Hardware. Brass, bronze or other finishes have their limitations. In time, the protective lacquer may deteriorate from exposure to weather, perspiration, cleaning agents, frequency of use and other factors. Tarnishing or excessive wear of these finishes is a normal process, which is unavoidable. Subject to California Civil Code Section 895 et seq., these finishes cannot be guaranteed and products will not be repaired or replaced under the manufacturer's warranties for tarnishing or wear of finishes.

7.4 Cabinet and other Carpentry Finishes. The paint, stain, and veneer colors of cabinets, doors, stair systems, moldings, etc. may vary from samples seen in the Welcome Home Center or design center. This difference may be caused by how the individual pieces of wood absorb the paint or stain and the type of grain in the wood, or by variations in the manufacturing process of the veneer. The color may also change over time because of sunlight, weather, or aging. Yellowing is common with latex-based enamel paints. White painted and white thermofoil veneer cabinets also tend to yellow with time. White painted or white veneer cabinets will also tend to make cabinet joint seam separations (which may occur over time) more noticeable. Cabinets may have different dimensions than those shown in diagrams or models.

7.5 Carpet Seams and Color. Buyer should expect that there will be visible carpet seams in Buyer's Home. As carpet wears, the fibers will blend together, and this will typically eliminate many of the visible seams. The color and texture of carpet may vary from the samples in the design center because they are manufactured at different times. Changes in carpet color will be accelerated by high traffic, sunlight, and moisture. Carpet on stairs may sometimes show the carpet backing where the carpet is wrapped over the bull nose of the tread.

7.6 Ceramic Tile. Ceramic and porcelain tiles will vary in color, pattern, and shading and the tile samples in design center may not exhibit all variations that occur in the tiles in the Home. The color, pattern, and shading may vary between tile pieces, particularly the trim and accent pieces. Accent and trim pieces will typically not have a straight edge. Certain types of tiles are intentionally manufactured with irregularities such as crazing (i.e. minute cracking) or other distressed appearance. Such specialty tiles will typically require additional maintenance to slow discoloration. Irregularly shaped tiles may have wavy or chipped edges and uneven grout lines. High glazed dark colored tiles will show surface scratches that occur in shipping and installation. In addition to the variations discussed above, glass and other transparent tiles will also contain wrinkles, bubbles, and crazing. If Buyer's shower floor is covered in stone or tile, the surface will be slick when wet. This could cause Buyer to slip and suffer serious injuries. Buyer should consider this risk when selecting tile. Electrical outlets and plumbing valves will not be moved to accommodate tile design.

7.7 Concrete Products. Cracks will occur in stucco and plaster exteriors. This is normal in all cementitious materials. Certain elevations incorporate a "smooth trowel" plaster finish. Buyer should be aware that this finish is particularly susceptible to cracking. Cracking does not affect the structural integrity of Buyer's Home and is part of the natural look of stucco and plaster. Poured on grade concrete is prone to a certain amount of cracking as it cures over time. Such cracks can be minimized by scoring, but they cannot be completely avoided.

7.8 Drywall Panels and Finishes. Drywall panels are placed over the wall studs, joists, rafters and beams. Drywall is typically used to finish window openings. Drywall panels will not completely eliminate variations in the dimension and plane of wood framing members. Metal trim (i.e., corner bead) is used at corners, window edges, soffits and ceilings. They are designed to be filled with finish compounds. These trim metals provide a durable finish but cause the wall plane to "flare" at the metal edge. Panel joints and seams are taped and coated with finish compounds. Fasteners are coated with finish compounds to cover the small "dimple" in the surface of the drywall panel. Progressive applications of finish compounds are required to cover the joints, fasteners, and seams. In some cases, the normal finishing of these joints, fasteners, and seams will cause a subtle "bulge." When the finishing process is complete, the walls and ceilings receive a texture coat. In certain lighting conditions (up-lights placed close to the walls), irregularities and variations in the wall plane or intersection of vertical and horizontal panels may be evident. These variations are normal.

7.9 Electrical Outlets in Garage. The Uniform Building Code adopted in California requires that electrical outlets in garages be provided with ground fault interrupter circuits. These circuits are not intended for use with any appliances, especially refrigerators, freezers and aquariums or on any service that an interruption of electrical power would cause a problem. Seller strongly recommends that Buyer does not use garage circuits for appliances or for any service (such as freezers) that would be harmed by an interruption of electrical power. Seller cannot be held responsible for the contents of appliances which are damages because of the ground fault interrupter switches shutting off power, nor can Seller be held responsible for damage to the appliance units themselves. Please check with an electrician for further information.

7.10 Grout. Colored tile grout may be used as a decorator feature on certain tiled areas. Buyer is advised that the color/shade may vary in any area of a particular installation due to the wide variety of tiles available, job site conditions and finishing techniques. The element of nature including, but not limited to, sun, temperature, food, or chemical reactions may, combined with the aging process, change the color of the grout in varying degrees from time to time. In the event of repairs or replacement of tile or grout in the future, the replacement grout and/or tile probably will not match the color of the original tile or tile grout. The use of colored grout may result in a discoloration, flecking, and/or cracked appearance in the ceramic tile.

7.11 Grout Joints. The width of grout joints between tiles, slab pieces, and other materials will vary. Buyer's grout color will also vary from the sample in Seller's design center. Hairline grout cracks at the joints of tiles are normal, and are commonly due to settlement of the home. Grout colors will change with time. Grout requires regular sealing.

7.12 Exterior Masonry. Brick, stone veneer, concrete, or stone used on the exterior of the buildings will vary in color, texture, shape, and size. These exterior surfaces will also vary from the exterior surfaces of other buildings in the Neighborhood.

7.13 Copper Water Pipes. Homes in the Neighborhood may feature copper and/or plastic piping system for water delivery. Copper pipes are generally corrosion-resistant and easy to repair. However, over time, the copper pipes in Buyer's Home may be affected by pitting corrosion leading to pinhole leaks. Pitting is generally caused by exposure to well waters with high dissolved solids including sulfates and chlorides, a pH between 7.2 and 7.8 and high carbon dioxide content. If Buyer has further questions concerning water quality in the Neighborhood, Buyer should contact the local water authority or a water treatment expert. A qualified water treatment expert can specify a treatment for aggressive water to make it non-aggressive to plumbing materials.

7.14 Contact "811" and Utilities Before Digging. For Buyer's safety and protection, Buyer should not dig on Buyer's Home without first calling "811" and the utility companies for the location of buried utilities. This is especially important with respect to utility easements since there is typically buried utility equipment within such easements. Digging without advance notification and approval of the utility companies may be illegal, can result in severe personal injury or death to Buyer and neighbors; severe property damage to homes, property, and utility equipment; and disruptions in service in Buyer's area.

7.15 Energy Conservation. Homes in the Neighborhood constructed by Seller meet or exceed the energy conservation standards that are a part of Title 24 of the California Administrative Code. Seller is required to design and install heating and cooling units that meet strict guidelines for Title 24. This is an energy conservation law that is designed to help reduce the overall use of energy in Buyer's Home. Title 24 describes the amount of cooling capacity as well as the minimum efficiency ratings for each geographic location in the state. In complying with Title 24, the cooling units installed in Buyer's Home are designed for maximum efficiency. Due to the Title 24 geographic requirements, on extremely warm days Buyer's inside room temperature may be warmer than Buyer's thermostat selection. This is due to design restrictions imposed by Title 24, not any design or installation defect of

Seller or its contractor.

7.16 Easements. An easement is one person's right of use over the property of another. Buyer's Home is subject to all easements of public record, including those shown on the title to Buyer's Home and those of an apparent nature, and may include, without limitation, easements for telephone, cellular technology, electricity, natural gas, cable television, landscaping, fencing, irrigation, water, sanitary sewer, storm sewer, drainage, and aircraft avigation. Such easements and rights may include the right of access to utilities and other facilities located on or adjacent to Buyer's Home. Such easements may restrict or preclude Buyer's ability to construct fences, screen rooms, patios, or other improvements. Buyer may not modify, remove or otherwise interfere with utility facilities or other improvements installed by the easement holder within these easements. No structure, landscaping or other materials shall be placed or permitted to remain within a drainage or utility easement which may damage or interfere with the installation or maintenance of utilities, or which may impede the flow of water through drainage channels within the easements. The cost of maintaining these easements may be Buyer's responsibility. The easement holder or other authorized third parties may access these easement areas to inspect or perform maintenance, including but not limited to mowing, trimming, and dredging.

7.17 Efflorescence. There is a difference in elevation between the garage and the Home slab. Moisture from landscape irrigation, heavy rain or soil placed against the foundation may cause efflorescence to develop. Commercial products are available to remove efflorescence. Buyer acknowledges and agrees that such condition may result during times of excessive moisture exposure and that it is Buyer's sole responsibility to remove any efflorescence that might develop.

7.18 Elevation/Floor Plan Specification. In order to provide architectural diversity for the street scene, Seller's architect has produced more than one exterior design (elevation) for the front of each floor plan. Consequently, differences may be noticed between the model home for Buyer's floor plan and the elevation of Buyer's Home. Buyer acknowledges that Buyer has received a project brochure that delineates the exterior configuration for the elevation and the exterior color scheme number for Buyer's Home from Seller's New Home Consultant. Buyer also acknowledges that Buyer's Home elevation and floor plan may vary from the configuration of the model home for the Home in terms of layout, size of certain rooms, elevation features, and other items such as sloped ceilings, veneer treatments, window locations and sizes, roof lines, and color schemes. Buyer understands that Seller does not make any representations or warranties that the current floor plans will be constructed on all homes in the Neighborhood, and that Seller specifically reserves the right to construct homes using additional floor plans (i.e., plans other than existing floor plans) on any of the homes in the Neighborhood.

7.19 Garage Configuration. BUYER HEREBY REPRESENTS TO SELLER THAT BUYER UNDERSTANDS AND AGREES THAT THE GARAGE CONFIGURATION OF BUYER'S HOME MAY DIFFER FROM THE EXHIBIT DEPICTING BUYER'S FLOOR PLAN.

7.20 Hardwood Flooring. Natural hardwood flooring is subject to variation and change, including, but not limited to: variations in color, grain, and knots; changes in appearance due to seasonal fluctuations in temperature and humidity levels; shrinkage, warping, cupping, and crowning, especially around heat vents, heat producing appliances, and doorways; gaps between boards; the appearance of small splinters of wood; and bubbles, scratches, and minor dirt and debris in the finish of a wood floor. All wood floors (whether engineered or natural) will warp and discolor if the floor becomes wet repeatedly or is soaked. Color variations may also develop because of differing exposure across the floor to direct sunlight. Plank flooring will sometimes be adversely affected by moisture when installed over concrete and may pop up and down due to slight variations in the surface of the concrete slab. The location of transition strips will vary and will be placed in locations chosen by Seller or its subcontractors. All furniture should have protective foot/bottom covers to prevent damage to the floor.

7.21 Interior Fire Sprinkler System. Buyer's Home will be equipped with an interior fire sprinkler system. The sprinkler systems are heat sensitive and should not be exposed to an open flame. Buyer acknowledges and agrees that Seller is not responsible for any damage to Buyer's Home caused by the activation of the interior fire sprinkler system. The purpose of the sprinkler system is to aid in the control of fires. Seller makes no warranties as to the effectiveness of the sprinklers. Seller makes no warranties as to the effectiveness of the sprinklers. The Sub Association will maintain and inspect the fire sprinkler system within Buyer's Home. Buyer is required to cooperate with the Sub-Association's regularly scheduled inspections and testing of the fire sprinklers, including permitting the Sub-Association's personnel and/or its sprinkler service provider to enter the Buyer's home at reasonable times for inspection and pressure testing. Buyer should report any leaking or malfunctioning fire sprinklers to the Sub-Association. Please refer to the Limited Warranty and Owner's Maintenance Manual and product manuals for information about the care and maintenance of these systems.

7.22 Interior Sound Attenuation. Subject to California Civil Code Section 895 et seq., Buyer acknowledges that elimination of all noise within and between homes is impossible to attain and is not promised by Seller.

7.23 Noise. It is the nature of attached condominium properties that noise is frequently audible from one home to the next no matter how much soundproofing is attempted. Acoustical privacy is achieved only through understanding and compliance with certain limitations and restrictions. Buyer accepts the Home subject to sound impacts from adjacent homes and accept responsibility for minimizing noise transmission from Buyer's Home and adhering to any rules and regulations of the Sub-Association which are designed to reduce noise transmission. It is recognized, however, that sound attenuation from an adjacent occupancy in a manner comparable to a single-family home is not represented by Seller and should not be expected by Buyer and Buyer hereby acknowledges and accepts that limitation. Buyer acknowledges that there will usually be some audio awareness of Buyer's neighbors, depending upon the situation.

Within the basic design of the building where the Home is located, efforts have been made to reduce airborne noise, structure-borne noise and impact noise transmission from and to each home. Changing the design of the structures or components could alter the expected sound attenuation. All such modifications are regulated by the Sub-

Association Declaration and Buyer should review the Sub-Association Declaration for further information regarding sound attenuation. The homes are also subject to sound and noise transmission from the facilities associated with the Neighborhood and the Community, as well as surrounding and adjacent properties resulting from, among other things, walls, floor-ceiling construction, plumbing lines and systems, ventilation ducts, mechanical equipment and HVAC systems, and other equipment and that such systems can generate noise which probably will be audible in Buyer's Home.

7.24 No Gas. Homes within the Neighborhood will not be equipped with gas or gas hookups. Owners of homes within the Neighborhood will only be able to install electric appliances.

7.25 Paint Discoloration. Certain portions of Buyer's Home, such as paint-grade cabinets, casework, moldings and interior doors, may be painted with latex-based enamel paint. Yellowing is common with latex-based enamel paints. Additionally, if Buyer's Home has white latex-based enamel paint-grade cabinets, yellowing will occur.

7.26 Pre-plotting of Homes. Homes have been pre-plotted. The exact location of individual homes, driveways and home boundaries may vary from that depicted on the brochure and on the plot plan in the Welcome Home Center. No change of any of these elements can be made because of Buyer's request. Seller reserves the right, in its sole discretion, to make such changes.

7.27 Pre-plotting of Color Schemes. Exteriors and color schemes for homes have been pre-selected. **NO CHANGES MAY BE MADE.** Buyer should consult with Seller's New Home Consultant for details. Seller cannot guarantee that color variations from color samples will not occur. Professional architects and consultants, as part of the overall plan for the Neighborhood, select street scenes, plotting, elevations and building colors. No change of any of these elements can be made because of Buyer's request. Seller reserves the right, in its sole discretion, to make such changes.

7.28 Rentals. From time to time, Seller will market and sell homes in the Community and Neighborhood to investors or to buyers who may not occupy their homes as their primary residence. Seller may also elect to lease, rather than sell, some or all of the homes that it owns within the Community and Neighborhood. Consequently, homes in the Community and Neighborhood may be leased to or occupied by persons other than their owners.

7.29 Risk of Unauthorized Cyber Access. Certain devices, machines, appliances, equipment or systems ("***Devices***") which are installed in the Home may include technology that allows such Devices to be accessed through the internet or other wireless technology. These Devices may include, without limitation, doorbell monitoring devices, water monitoring systems, remote door access systems (including garage doors), and environmental control systems. These Devices may allow a third party to gain unauthorized access to the Devices and control or access them without the Buyer's knowledge or permission. Additionally, such Devices may be used to propagate malware or gain access to other Devices, the Home, networks, computers and Buyer's data contained thereon. Depending on the technology included, the Devices may also carry a risk that verbal communications may be heard by unauthorized third parties or be inadvertently sent to third parties through a voice-activated Device. Buyer is solely responsible for determining the level of security and protection suitable for all Devices connected to any network in the Home, for configuring all relevant equipment to provide appropriate security, and for taking any other security measures Buyer deems necessary or appropriate in connection with such Devices, even if such Devices are installed by Seller or at Seller's discretion. Seller makes no representation, and shall have no liability, for any data breaches, malware attacks, network intrusions, physical intrusions, privacy intrusions, cyber-attacks, theft, or other risks related to the Devices, even if such Devices are installed by Seller or at Seller's direction.

7.30 Satellite Dishes. Satellite dish antennas may be installed and used within the Neighborhood in accordance with the Governing Documents (which may require Sub-Association and Community Association approval), the Community Association Design Guidelines, Sub Association Design Guidelines and governmental requirements. However, Seller has provided no assurances or guarantees that any satellite dish or other antenna installed within the Neighborhood will remain unobstructed. Buyer should understand that antenna signals my become obstructed by the installation and maintenance of improvements within and outside of the Neighborhood including homes, walls, fences, trees and other landscaping.

7.31 Solar Energy System. Homes in the Community will be equipped with a solar energy system ("***System***"). Please review the Solar Energy System Addendum (or equivalent) and other solar documents provided to Buyer for further information on the System. Buyer is responsible for all utility costs for the Home and Buyer's utility costs may initially be higher prior to the System being activated, which may in some cases be several months after close of escrow. System activation is beyond Seller's control. Buyer may be required to sign an interconnection agreement and other documentation and otherwise cooperate with the utility company and the system provider to activate the System.

Local law may entitle Buyer to credits or other financial incentives for excess electricity generated by the System through the State of California's Net Energy Metering Program ("***NEM***"). In April 2023, NEM 3.0 became effective and it is considered a significant change to the State's Net Energy Metering Program. According to information provided to Seller, NEM 3.0 will greatly reduce the overall savings and increase the payback period of home solar. Seller makes no representation or warranty to Buyer as to whether Buyer will receive credits or other financial incentives for the System, and if so, whether Buyer's System will be subject to NEM 3.0 or a predecessor or future NEM program. It is Buyer's responsibility to understand what NEM will apply to the System, if any, and the impacts such NEM may have on Buyer and the Home. Buyer should contact the electric utility provider for the Home with any questions about the NEM program or the impacts it may have on the Home.

7.32 Stain Grade Material Discoloration. Natural hardwoods used for cabinets, doors, stair systems, moldings, etc., are finished with stain and lacquer finish products, which will change color over time. Color change may be the result of exposure to sunlight or weather, or simply the consequence of aging.

7.33 Hybrid Electric Heat Pump Water Heater. The Home will be equipped with a hybrid electric heat pump water heater. Buyer will be provided with the manufacturer information on the equipment. A hybrid electric heat pump water heater heats the water indirectly through tubes in a water storage tank. Depending on the water delivery system in the Home, a hybrid electric heat pump may not supply hot water any more quickly than a conventional storage water heater. In addition, a hybrid electric heat pump may not provide enough hot water for the simultaneous use of hot water by multiple fixtures (e.g. showers, laundry, etc.). As a result, Buyer may not be able to conduct those activities at the same time. Also, like other improvements in the Home, Buyer will need to maintain the hybrid electric heat pump in accordance with the manufacturer's guidelines and recommendations. For manufacturer maintenance and warranty information, please visit the manufacturer's website.

7.34 Tinting of Windows and Doors. If Buyer elects to tint the windows in Buyer's Home, Buyer understands and acknowledges that such tinting will void the manufacturer's warranty on such window or door. Subject to California Civil Code Section 895 et seq., Buyer further understands and agrees that neither Seller nor the manufacturer of the windows and/or doors in Buyer's Home will be responsible for any repairs or replacement of any window or door that has been tinted.

7.35 Upper Floor Load Limit. If Buyer currently owns or is planning to purchase a pool table or other heavy furniture, Buyer must confirm with the manufacturer that the weight introduced by these items does not exceed the limits outlined in the Uniform Building Code for the upper floors of the homes in the Neighborhood.

7.36 Utility and Drainage Facilities. Seller, utility companies, or water districts may locate or relocate utilities or drainage facilities such as, but not limited to, electrical vaults, transformers, pedestals, telephone lines, high tension overhead power lines, electrical substations, telecommunications systems, cell towers, satellite antennas, microwave equipment, street lights, fire hydrants, cable TV boxes, and drainage swales on or near the Home, which may or may not be shown on any plot plans delivered to Buyer. These facilities may be located above ground or below ground, and these facilities may be subject to and other rights against Buyer's Home in favor of utility companies.

7.37 Variations in Natural Materials. Buyer's Home may include various natural materials (e.g., wood, marble and/or other stone products). Wood products vary in dimension, grain, color, moisture content, and performance when subjected to high moisture environments. Some of the natural characteristics of wood will show through the painted or stained finish. Grain patterns or texture will vary from even to irregular throughout Buyer's cabinetry. Similarly, granite and natural stone products will vary in appearance. Marble is less dense and more porous than granite. Great care must be taken to prevent damage to marble and other stone products. Buyer must follow the manufacturers' recommendations for cleaning and maintenance. Because these are natural products, they are subject to variation in color, pattern, texture, veining, spotting, holes, cloudiness and cracking. Some may vary significantly in filler and sheen. The samples in the Welcome Home Center are actual pieces of natural stone, which indicate general color and character; however, no two pieces can be expected to match, even when taken from the same box. Buyer should view the stone prior to purchase, and any questions regarding these materials must be resolved prior to installation. If replacement of natural material tile or carpet is required, Buyer understands and agrees that a match with existing material cannot be guaranteed.

7.38 Watering Restrictions. To combat drought, municipalities and other water service providers may enact voluntary or mandatory cut-backs or other restrictions on water usage, including landscape and lawn watering. These restrictions may cause landscaping to dry out and die.

VIII. GENERAL DISCLOSURES

8.1 Benefit of Home Ownership. Although the purchase of a new home has traditionally been considered a wise decision, Seller makes no representations or warranties to Buyer with respect to the tax benefits, investment quality or other benefits of home ownership, or regarding appreciation or depreciation in the value or equity accrual in Buyer's Home, or future price adjustments.

8.2 Changes in Development Plan. The residential real estate market continually fluctuates due to changes in economic, social and political conditions that directly affect the supply of and demand for housing. As a result, the development plan for the Neighborhood and the Community, home prices, as well as the terms and conditions of sale, are also subject to change. Therefore, with the exception of Buyer's Home, Seller reserves the right at any time prior to or after the close of escrow for the sale of a home and without notice, (i) to increase or decrease the sale price, adjust incentives and/or otherwise adjust the terms and conditions of sale for homes in the Neighborhood and the Community (or in the vicinity thereof), and (ii) change the number, size, location, elevation, design or type of homes constructed in the current or future phases of development of the Neighborhood. Seller is not obligated to offer Buyer the same price, incentives and/or other terms and conditions of sale that Seller has previously offered or may subsequently offer to another buyer. Seller has neither offered nor agreed to any price protection or other similar commitment to Buyer regarding the value or resale value of Buyer's Home (or any other property), and Seller shall not have any obligation or liability whatsoever to Buyer in the event any price changes directly or indirectly affect the value of Buyer's Home. When Buyer entered into the Purchase Documents, Seller may have owned other properties, which may have been off the market and may not have been shown to or otherwise made available for purchase by Buyer. Seller does not have any obligation to notify Buyer if any of such properties come on the market or are otherwise available for purchase or any obligation to notify Buyer of any future properties Seller may develop and make available for purchase.

8.3 Closing Date. Buyer acknowledges that the date specified in the purchase agreement for the closing date is only a target closing date. Seller does not have any responsibility in the event that Buyer elects to move out of Buyer's existing residence prior to the actual closing date.

8.4 Governmental Approvals. Buyer's Home has been developed in accordance with the provisions of the laws, ordinances, regulations and conditions for approval for the Neighborhood and the Community. Some alterations to

Buyer's Home, to the extent permitted under the Community Declaration, will require building permits and adherence to specific codes when Buyer makes further improvements. These requirements may impact Buyer's use of Buyer's Home. The architectural plans for the Home are copyrighted and are the property of either the architect or engineer who created them. Buyer should contact the applicable Building Department for copies of these plans, which may or may not be available. A fee may be charged by the Building Department for this service.

8.5 Architects and Engineers. Buyer should retain the services of professional design consultants such as architects, landscape architects, and soils, civil and structural engineers to design improvements made to the Home. Each home is unique in its physical condition and Buyer should not use generic plans provided by a contractor. Using professional architects and engineers for Buyer's improvements, particularly pools, spas, patios, walls, and landscaping (including elevated planters) is necessary to ensure quality and code compliance. These professionals will also assist Buyer in minimizing damages that may occur because of the soils and hillside conditions of the Home.

8.6 Models. The model homes reflect typical exterior elevations, floor plans, workmanship and methods of construction, and also illustrate possibilities for future interior decoration and exterior landscaping and hardscape items. Buyer's Home will not necessarily conform to any model. The exterior elevations, architectural treatments, floor plans and colors shown on the plot plans on display at the Welcome Home Center for the Neighborhood may be different than those displayed in the models. Additionally, window locations, window types, roof lines, architectural projections and other similar features vary by elevation and home location, and not all of such features displayed in the models may be included in Buyer's Home. The models have also been professionally decorated to show various decor ideas. Decoration items such as furnishings, draperies and other window treatments, any window tinting, wallpaper and other wall treatments, custom carpet and other floor coverings, coordinated paint, built-in shelves, beams, certain lighting fixtures (including halogen lighting), special ceiling treatments and some mirrors are for display purposes only, and are not included in the purchase price for Buyer's Home. Entries, walkways and driveways are shown in a variety of materials to show design ideas, however, for Buyer's Home, they will be constructed using only standard concrete. The hardscape shown in the model complex may not depict what may be constructed in all locations. Additionally, landscaping for the models is greater in density and type than any landscape package offered by Seller. If not expressly included in the purchase price for Buyer's Home in writing by Seller, Buyer is solely responsible for installing the rear, and side yard landscaping within the timeframes indicated in the Community Declaration (if applicable). The type of plants, and the size and density of the landscaping in the yards of the models are merely intended to suggest ideas to buyers. Certain models may also include hardscape items (e.g., patio slabs, patio covers, pools, spas, etc.) which are not included in the purchase price of Buyer's Home. Buyer should consult Seller's New Home Consultant for additional information regarding non-standard items used in the model homes.

8.7 Depictions in Advertising Are Artist's Conceptions. Pictorial or illustrative depictions of the homes and the surrounding buildings and land in sales brochures, websites, videos, and other advertisement materials are artist's conceptions only. These materials have not been prepared to scale and are subject to change without notice to Buyer. Any depictions of Buyer's Home, other homes, or other community features may appear different based on many factors.

8.8 FHA Loans. If Buyer intends to use a Federal Housing Administration ("***FHA***") insured loan to purchase the Home, close of escrow for the Home will likely be delayed because of FHA approval requirements for the phase in which the Home is located ("***Phase***") that do not permit Seller to seek approval for the Phase until construction of the improvements, including the condominium building(s), in the Phase are complete. Any estimated close of escrow date provided by Seller is an approximate closing date. The timing of FHA approval for the Phase is outside of the control of Seller and may require Seller to modify that estimated closing date, subject to the limitations set forth in Buyer's purchase agreement for the Home. Buyer is responsible for all costs associated with housing accommodations, moving, storage, boarding pets, etc., even if such costs are increased by a delay in the actual close of escrow for the Home beyond any estimated closing date provided by Seller related to FHA approval of the Phase.

8.9 Mold and Mildew.

What is Mold? Mold is a type of fungus which occurs naturally in the environment and is necessary for the natural decomposition of plant and other organic material. It spreads by means of microscopic spores borne on the wind, and is found everywhere life can be supported. Residential home construction is not, and cannot be, designed to exclude mold spores. If the growing conditions are right, mold can grow in Buyer's Home. Most owners are familiar with mold growth in the form of bread mold, and mold that may grow on bathroom tile.

In order to grow, mold requires a food source. This might be supplied by items found in the home, such as fabric, carpet or even wallpaper, or by building materials, such as drywall, wood and insulation, to name a few. Also, mold growth requires a temperate climate. The best growth occurs at temperatures between 40ºF and 100ºF. Finally, mold growth requires moisture. Moisture is the only mold growth factor that can be controlled in a residential setting. By minimizing moisture, an owner can reduce or eliminate mold growth.

Moisture in the home can have many causes. Spills, leaks, overflows, condensation, and high humidity are common sources of home moisture. Good housekeeping and home maintenance practices are essential in the effort to prevent or eliminate mold growth. If moisture is allowed to remain on the growth medium, mold can develop within 24 to 48 hours.

Should Buyer be concerned about mold in Buyer's Home? All mold is not necessarily harmful, but certain strains of mold have been shown to have adverse health effects in susceptible persons. The most common effects are allergic reactions, including skin irritation, watery eyes, runny nose, coughing, sneezing, congestion, sore throat and headache. Individuals with suppressed immune systems may risk infections. Some experts contend that mold causes serious symptoms and diseases which may even be life threatening. However, experts disagree about the level of mold exposure that may cause health problems, and about the exact nature and extent of the health problems that may be caused by mold. The Center for Disease Control states that a causal link between the presence of toxic mold and serious health conditions has not been proven.

What Buyer can do? Buyer can take positive steps to reduce or eliminate the occurrence of mold growth in the Home, and thereby minimize any possible adverse effects that may be caused by mold. The steps include the following:

(a) Before bringing items into the Home, check for signs of mold. Potted plants (roots and soil), furnishings, or stored clothing and bedding material, as well as many other household goods, could already contain mold growth.

(b) Regular vacuuming and cleaning will help reduce mold levels. Mild bleach solutions and most tile cleaners are effective in eliminating or preventing mold growth.

(c) Keep the humidity in the Home low. Vent clothes dryers to the outdoors. Ventilate kitchens and bathrooms by opening the windows, by using exhaust fans, or by running the air conditioning to remove excess moisture in the air, and to facilitate evaporation of water from wet surfaces.

(d) Promptly clean up spills, condensation and other sources of moisture. Thoroughly dry any wet surfaces or material. Buyer should not let water pool or stand in Buyer's Home. Buyer should promptly replace any materials that cannot be thoroughly dried, such as drywall or insulation.

(e) Buyer should inspect for leaks on a regular basis. Buyer should also look for discolorations or wet spots and repair any leaks promptly. Buyer should inspect condensation pans (refrigerators and air conditioners) for mold growth and take notice of musty odors and any visible signs of mold.

(f) Should mold develop, Buyer should thoroughly clean the affected area with a mild solution of bleach. First, Buyer should test to see if the affected material or surface is color safe. Porous materials, such as fabric, upholstery or carpet should be discarded. Should the mold growth be severe, Buyer should call on the services of a qualified professional cleaner.

A copy of an information sheet prepared by the California Department of Public Health is available from the following link: https://www.cdph.ca.gov/Programs/CCDPHP/DEODC/EHIB/CPE/CDPH%20Document%20Library/Mold/MMIMH_English.pdf

There may also be other sources of information on mold.

Whether Buyer will experience mold growth depends largely on how Buyer manages and maintains Buyer's Home. Buyer will need to take actions to prevent conditions which cause the mold or mildew. This is part of the responsibility of home ownership. Buyer agrees to assume responsibility for following the recommendations set forth above and in the Mold Information Sheet. Buyer further acknowledges that if there is any water damage or water intrusion to Buyer's Home, Buyer will take immediate action to prevent conditions which cause mold or mildew to develop.

Buyer acknowledges and agrees that Seller will not be liable for any actual, special, incidental or consequential damages based on any legal theory whatsoever, including, but not limited to, strict liability, breach of express or implied warranty, negligence or any other legal theory with respect to the presence and/or existence of molds, mildew and/or microscopic spores unless caused by the sole negligence or willful misconduct of Seller. Buyer, on behalf of himself and/or herself and their family members, tenants, invitees and licensees, hereby releases Seller and Seller's officers, directors, partners, managers, members, successors and assigns from and against any and all claims, actions, damages, causes of actions, liabilities and expenses (including without limitation, attorney's fees and costs and costs of enforcing this indemnity) for property damage, injury or death resulting from the exposure to microscopic spores, mold and/or mildew and from any loss of resale value due to the presence and/or existence of mold, mildew and/or microscopic spores, provided, however, that in no event is Buyer releasing Seller as a result of the presence and/or existence of mold, mildew and/or microscopic spores if caused by the sole negligence or willful misconduct of Seller. It is the responsibility of each owner to ensure that it has taken the necessary precautions to prevent mold from becoming a problem in such owner's home.

8.10 Move-In Dates. The completion date for Buyer's Home is only an estimate. As construction progresses, the completion date may be adjusted. The estimated completion date is not meant to be a commitment to Buyer for a move-in date. Buyer's actual moving date should be scheduled to take place at Buyer's convenience after Buyer's escrow closes. Moving date plans made prior to close of escrow are constantly subject to change. Seller is not obligated to reimburse Buyer for any costs associated with any adjustment made to the completion date and resulting move-in date for Buyer's Home.

8.11 No Guarantee on Prices or Value. Seller, Seller's New Home Consultants, employees and representatives make no representations that the value of Buyer's Home will at any time in the future either remain equal to or be higher than its value at the time of purchase. Buyer hereby acknowledges that at no time has Seller or any of Seller's New Home Consultants, employees or representatives made any representations or warranties regarding tax benefits, value, price appreciation or depreciation, or future pricing adjustments with respect to the Neighborhood. In addition, home premiums are added to the purchase price of the home based on the size and location of the home. It is the Buyer's responsibility to evaluate the size and location of any home for which a premium is being charged. Seller reserves the right to increase or decrease home premiums at any time. Due to changing market conditions, Seller makes no representation that (a) the current floor plans will be constructed on all the homes in the

Neighborhood; or (b) whether prices, terms or conditions of sales in the current or future phases will not change. Seller specifically reserves the right to construct homes using additional floor plans (i.e., plans other than existing floor plans) on any of the homes of the Neighborhood. A copy of potential typical floor plans is available, upon request, in the Welcome Home Center. Buyer understands and acknowledges that the California real estate market reacts to economic and other conditions that may cause the price of housing to fluctuate. Similar to any other investment, the purchase price of housing may increase or decrease depending upon current market conditions, which conditions are beyond the control of Seller. At the sole discretion of Seller, and without notice to Buyer, the purchase price, terms of purchase, product type, options, upgrades and other concessions, whether for the current phase or any proposed or future phase of the Neighborhood, are subject to change from time to time. Buyer shall not hold Seller responsible for any fluctuations in the purchase price of homes within the Neighborhood. In consideration of Seller's agreement to sell the Home to Buyer, Buyer agrees that Buyer shall have no claims against Seller for any possible change (decrease or increase) in the purchase price of homes within the Neighborhood or any other terms of purchase, including, without limitation, upgrades or other concessions or incentives offered by Seller to other purchasers of homes within the Neighborhood and/or the construction of any additional floor plans on any of the homes in the Neighborhood.

8.12 No Guarantee of Cell Phone Coverage. Seller does not guarantee the quality of cell phone reception, if any, in the Home, Neighborhood, or surrounding area. Also, although radiant barriers and insulation installed in the Home may result in energy savings, it has been reported that radiant barriers and insulation can negatively affect or even eliminate cell phone reception.

8.13 No Guarantee of Energy Savings. Seller does not promise any level of electric or gas energy utility costs or savings will be achieved or maintained, even if the Home is certified or built to certain rating systems such as Energy Star®, HERS®, or other local or regional programs. Actual energy utility costs will depend on a number of factors, including, but not limited to, personal utility usage preferences; the rates, fees and charges of local energy utility providers; daily activities; home maintenance practices; household size; the use and condition of appliances; lighting and internal climate control systems; and the surrounding climate and weather conditions.

8.14 No Contractor; Possession; Occupancy. Seller is not acting as a contractor for Buyer. Prior to close of escrow, Buyer has no right or interest in the Home except the right and obligation to purchase the Home in accordance with the Purchase Documents. Buyer shall not be entitled to possess, occupy or enter upon the Home prior to the date on which the deed conveying the Home to Buyer is recorded. Until the Home closes escrow and the deed is recorded, Buyer is not allowed in the construction area except for scheduled meetings accompanied by Seller's representative. In the event Buyer enters the construction area prior to the close of escrow (except for a walk through conducted with Seller's representative), Buyer hereby agrees to indemnify, protect, defend and hold harmless Seller its successors and assigns and its respective officers, directors, shareholders, managers, members, partners, employees, contractors, representatives and agents from and against all liability, loss, cost, damage, injury, death and claim to any person or property (including, but not limited to, the person or property of the Buyer) resulting from or in connection with any such entry on the Home or the surrounding construction site prior to close of escrow, such indemnification to extend to and include reasonable attorneys' costs and fees incurred by Seller or the other indemnified parties.

8.15 Non-Standard Construction Options. Buyer understands that homes in the Neighborhood are offered under the "Everything's Included" platform. However, limited optional items may be available, which may include cabinet finish, granite and flooring, depending on the construction stage of the Home; see Seller's New Home Consultant for details. No work of any type may be performed on the Home by anyone other than Seller's subcontractors prior to close of escrow. Any unauthorized construction or improvements found in the Home prior to close of escrow will be removed by Seller and the cost of removal will be charged to Buyer. Seller includes flooring in the Home as part of the purchase price and Buyer will not be able to close escrow without flooring installed in the Home.

8.16 Property Taxes. Buyer's purchase of the Home constitutes a "change in ownership" for real property tax assessment purposes, which will trigger a reassessment of the property by the County Tax Assessor ("***Assessor***"). This will result in a real property tax increase based upon the purchase price effective as of the close of escrow. Shortly after the close of escrow, Buyer will receive a supplemental real property tax bill ("***Supplemental Assessment***") from the Assessor covering the tax increase for the period from the close of escrow to the following June 30. Buyer acknowledges that neither Seller nor any of Seller's New Home Consultants have made any representations or warranties respecting the amount of the Supplemental Assessment, the assessed value or future property taxes. Should Buyer have any questions or concerns relating to the Supplemental Assessment or other property tax matters, Buyer is advised to consult with the County Assessor or Buyer's legal or other advisors.

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.

8.17 Right of Substitution. From time to time due to unavailability and other production considerations, it is necessary for Seller to make substitutions of materials and other items used in construction of the homes from those materials and items displayed in the models. Therefore, Seller reserves the right to make any changes or substitutions as Seller deems necessary or desirable to the color schemes, building materials, fixtures, appliances and other components of the homes. The foregoing substitutions may include, without limitation, kitchen appliances, household fixtures, cabinetry, electrical outlets and switches, hardware, wall surfaces, painting and other similar items. Seller shall have the right to make the substitutions described above without adjustment to the purchase price of Buyer's Home.

8.18 Plans and Square Footage Representations. The construction drawings, condominium plans, architectural plans, grading, drainage and improvement plans (collectively, the "***Plans***") for homes within the Neighborhood contain dimensions are approximate. The Plans are not intended to be precise dimensions with regard to the homes. Room dimensions and electrical outlet placement will vary slightly from models and from printed information including sales brochures. Dimensions may vary from the Plans. The usable or buildable area, location and configuration of the Home and all improvements located thereon may fluctuate from that shown or displayed to Buyer in the Plans or other drawings, topographic maps or models based upon Seller's placement of final improvements including, without limitation, fencing and slopes which shall be placed and constructed in Seller's sole and absolute discretion. Certain Plans will depict the gross square footage as required by the City, including all or a portion of the exterior walls of Buyer's Home and certain other Plans will depict the net square footage of the interior of Buyer's Home. The Neighborhood sales brochure will show approximate gross square footage of the Home. The location, size, height and composition of all walls and fences to be constructed on Buyer's Home or adjacent thereto shall be determined by Seller in its sole and absolute discretion and despite the Plans or any other models, drawings or topographic maps displayed to Buyer. Seller makes no representations, warranties or assurances as to the size, height, location or composition of any wall or fence to be constructed on or adjacent to Buyer's Home. Further, Buyer acknowledges that the Plans for the Home may change based on comments from the City during the approval process for the Community. Buyer is advised to consult with Seller's New Home Consultant regarding any questions. The Plans are subject to change at any time without notice or obligation. If there is a discrepancy between the Plans and the actual as built conditions of Buyer's Home, the as built conditions will control.

Additionally, the plan-type of Buyer's Home (or any other numeric reference) does not refer to the square footage of Buyer's Home.

8.19 As Built Conditions. In connection with Buyer's purchase of the Home, Seller may provide Buyer with sales literature. This information is intended for general informational purposes. There may be discrepancies between this information which is provided to Buyer and the actual as-built conditions. If there are such discrepancies, the as-built conditions will control.

8.20 Undesired Gases and Other Contaminates. Buyer should be aware that residential construction involves the use of construction materials, which may contain hazardous substances. Some of these hazardous substances have been identified as "known to the State of California to cause cancer or reproductive harm." In many cases, hazardous substances are encapsulated or cured prior to occupancy, resulting in negligible exposures. In other cases, there may be low level emissions of hazardous substances from newly installed materials resulting in small but measurable exposures. Formaldehyde, an essential component of lumber products and other construction materials used widely in contemporary residential construction, is known to be present in low concentration in new houses. Formaldehyde has been shown to cause tumors in rodent tests and may be irritating to sensitive humans at levels higher than normally found in new construction. In addition, the aging process of the soil and other elements by nature, as well as building materials developed by man, may create unwanted and undesired gases and other contaminates in homes, both new and used. Also, since energy conservation has become a concern, the stricter standards for the State of California have resulted in tighter homes (i.e., homes with fewer and smaller air gaps), which trap these unwanted gases in different degrees depending on how each person lives within Buyer's Home.

To date, measurements of such unwanted gases (such as radon) are reported as small fractions of the air these gases occupy. In most cases the measurements are translated to "parts per million" or "parts per billion." Since the quality of air we breathe can affect our health, Seller recommends frequent airing of Buyer's Home by simply opening Buyer's windows to introduce outside air and to allow release of indoor air. Other helpful air transfer methods are also available such as circulating systems using outside air intake.

8.21 Use of Subcontractors. Seller performs its construction through the use of subcontractors, and does not employ construction trades or workers. Seller is not permitted to change its subcontracts without approval of the respective subcontractor; therefore, Buyer may not make interior or exterior construction changes or alterations not otherwise offered to Buyer at point of sale.

8.22 Vesting. Prior to signing escrow instructions, Buyer may wish to consult an attorney regarding the manner in which title to the Home should be taken. Seller's New Home Consultants are prohibited by law from giving any advice on this matter.

8.23 View/Location Advantages. There are no protected views in the Community. Seller makes no representations or guarantees, express or implied, concerning any particular view the Community or the Home may enjoy currently or in the future. Future development of the Neighborhood, development outside the Neighborhood, and the growth or modification of any trees or vegetation may affect the view from and privacy of the Home. The evaluation of any such view is highly subjective and a personal matter and Buyer should not rely on the existence or continuation of any view from the Neighborhood or Home or the level of privacy when making Buyer's decision to purchase a home. Any perceived view is not part of the value of the Home which Buyer is purchasing and is not guaranteed.

By accepting title to a Home in the Neighborhood, Buyer acknowledges that: (a) there are no protected views, and no home is assured of the existence, quality or unobstructed continuation of any particular view and Seller makes no representation or warranty that there are now, or will be in the future, any such views or that any view will impact the value or desirability of any home; (b) any view from a home in the Neighborhood is not intended as part of the value of the home and is not guaranteed; (c) any future development, construction, landscaping, growth of trees, or other installation or improvements by Seller or other property owners may impair the view from Buyer's Home; and (d) the construction of other homes, fences, walls, and other improvements in the Neighborhood or adjacent projects and the addition and growth of landscaping may impair any view that Buyer's Home enjoys.

8.24 Effect of Proposition 218. BUYER IS ADVISED OF THE FOLLOWING INFORMATION: THE PASSAGE BY THE ELECTORATE OF THE STATE OF CALIFORNIA OF PROPOSITION 218 MAY HAVE AN EFFECT ON THE SPECIAL TAX, ASSESSMENT OR FEE. A COPY OF PROPOSITION 218 IS AVAILABLE FOR BUYER'S REVIEW AND CONSIDERATION AT THE WELCOME HOME CENTER. THE IMPLEMENTATION OF 218 MIGHT REQUIRE THE VOTE OF THE AFFECTED PROPERTY OWNERS TO CONFIRM THE IMPOSITION OF THE SPECIAL TAX, ASSESSMENT OR FEE. IN ADDITION, ANY INCREASE OF THE SPECIAL TAX, ASSESSMENT OR FEE MAY REQUIRE THE VOTE OF THE AFFECTED PROPERTY OWNERS. IF THE CONFIRMING VOTE OR A SUBSEQUENT VOTE OF AN INCREASE OF THE SPECIAL TAX, ASSESSMENT OR FEE DOES NOT RECEIVE THE SUPPORT OF A MAJORITY OF THE AFFECTED PROPERTY OWNERS, THE DISTRICT MAY NOT BE ABLE TO COLLECT THE SPECIAL TAX, ASSESSMENT OR FEE. THEREFORE, THE BENEFITS PROVIDED BY THE SPECIAL TAX, ASSESSMENT OR FEE MIGHT BE EITHER TERMINATED OR THE COST SHIFTED TO SOME OTHER ENTITY OR THE BENEFITED INDIVIDUALS. THE SELLER ADVISES THE BUYER TO REVIEW PROPOSITION 218 AND CONSIDER THE IMPACT OF PROPOSITION 218 ON BUYER'S HOME.

8.25 Mineral Rights. Buyer will not own the mineral, oil and gas and water rights under Buyer's the Home. These ownership rights have been excepted as per Buyer's grant deed. The right to surface entry has been waived with respect to the surface and upper five hundred (500) feet of the subsurface of the Home by the holder of the mineral, oil and gas rights.

8.26 Warranty and Limitations of Liability. Seller has provided a limited warranty ("***Limited Warranty***") for Buyer's Home against certain defects in the original materials and workmanship for one year from the Commencement Date as set forth in Buyer's Limited Warranty. The Limited Warranty is given to Buyer in place of and in lieu of all other warranties or guarantees, written or oral, whether expressed or implied, except those given by others which shall be in force according to their own terms. The manufacturers' warranties for the consumer products included in Buyer's Home (e.g., water heater, air conditioning system, dishwasher, garbage disposal and other household appliances) are available for review in the Welcome Home Center. Buyer should carefully review Buyer's Limited Warranty. Seller will provide Buyer with important recommendations on the proper maintenance of improvements to Buyer's Home. Failure to properly maintain such improvements may cause premature deterioration of important features, finishes and/or equipment. Seller is not responsible for failure of equipment or other improvements caused by Buyer's failure to properly maintain such equipment and/or improvements. In addition, Buyer acknowledges that certain upgrade materials, if any, selected by Buyer may have specific maintenance requirements, and that Seller will not be responsible for any damages that may occur to such materials due to Buyer's failure to properly maintain them.

8.27 Cellular Towers. Cellular towers and antennas may be located near and within the Neighborhood and Community. According to the Federal Communications Commission ("***FCC***") website (link provided below), cellular towers and antennas transmit signals by electromagnetic energy (referred to as "***radiofrequency***" or "***RF***" energy). The FCC regulates the transmission of radiofrequency signals from cellular towers and antennas, and limits the manner, power levels, frequencies, and other specifications for the transmission of radiofrequency signals. The FCC requested all broadcast stations to be designed and constructed so neither workers nor the general public are exposed to levels of RFs exceeding identified guidelines adopted by the FCC. RFs have attracted attention because some research studies have suggested there may be a link between RFs and certain types of cancer, but other research has indicated no connection at all. At this time, there is no definitive research as to whether RFs have any serious health risks at the levels allowed by the FCC for cellular communications facilities. For more information regarding radiofrequency energy transmission from cellular towers, Buyer should visit the FCC's website at www.fcc.gov, including the FCC's RF Safety webpage at www.fcc.gov/oet/rfsafety and http://www.fcc.gov/guides/wireless-devices-and-health-concerns.

8.28 Electric Power Lines, Wireless Communication Facilities, and Human Health. Underground and overhead electric transmission and distribution lines and transformers ("***Power Lines***") are located within the vicinity of the Neighborhood. The Power Lines within and in the vicinity of the Neighborhood produce electric and magnetic fields ("***EMF***"). Numerous studies concerning the effects of EMF 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 other studies found no such relationship. Some studies have reported associations between RF exposure and brain cancer, while other studies found no such relationship. Additional information about is available from the following agencies:

- the World Health Organization's International EMF Project website at https://www.who.int/health-topics/electromagnetic-fields#tab=tab_1;

- Southern California Edison website at the U.S. National Institute of Environmental Health Sciences website at http://www.niehs.nih.gov/health/topics/agents/emf/; and

- San Diego Gas and Electric website at https://www.sdge.com/more-information/safety/electric-safety/electric-magnetic-fields.

This list is not meant to be all inclusive.

8.29 Underground Utilities. All utilities servicing homes are underground, including, without limitation, water, sewer, electric, cable and telephone.

8.30 Utility Connections. Buyer understands that it is Buyer's responsibility to transfer all utilities into Buyer's name, make payment of any deposits required, and arrange for service connections upon close of escrow.

8.31 Special Districts and Assessments. Buyer will take title to the Home subject to any taxes, assessments, mill levies, development fees, maintenance fees or other charges ("***District Taxes***") arising by reason of the inclusion of the Home in any special improvement districts, metropolitan districts, fire protection districts, recreation and park districts, water and sanitation districts, school districts, community facilities districts, and other special taxing districts or municipalities providing services established in connection with the development of the Neighborhood and/or surrounding area. The Neighborhood may be annexed to other special districts from time to time in the future. Buyer will be responsible for paying such District Taxes as well as any and all District Taxes that may be assessed from time to time by such districts or that may hereafter be assessed by reason of the home's inclusion in any district. Seller will provide Buyer with one or more separate tax disclosures containing a more complete description of the various District Taxes that public records show will be levied against the Home. Buyer should consult the County Assessor's office for further information regarding District Taxes affecting the Home. Please refer to the separate individual property tax disclosure provided to Buyer by Buyer's Seller concerning assessment and special tax districts affecting the Community. The disclosures set forth herein are not intended to be a complete list of all taxes applicable to a Buyer's Home.

8.32 Proposition 65. The Safe Drinking Water and Toxic Enforcement Act of 1986, also known as "Proposition 65," requires that all businesses (including Seller) provide "clear and reasonable" methods of warning to Buyer of the potential hazards associated with exposure to certain chemicals from products and the environment. As of August 1, 2018, the State of California has listed approximately 900 chemicals known to the State of California to cause cancer, birth defects and/or other reproductive harm. Buyer hereby acknowledges that at the time Buyer executes the Purchase Documents, Seller has posted, in a conspicuous location in the Welcome Home Center:

⚠ **WARNING**: Entering this area can expose you to chemicals known to the State of California to cause cancer and birth defects or other reproductive harm, including benzene, from construction materials. For more information go to **www.P65Warnings.ca.gov.**

⚠ **NOTICE**: Some furniture products can expose you to chemicals known to the State of California to cause cancer and/or birth defects or other reproductive harm. Please check the product label for warning information. For more information go to **www.P65Warnings.ca.gov.**

This signage is intended to notify Buyer of the potential chemicals that Buyer may be exposed to when Buyer purchases a home from Seller. In addition to the foregoing, Buyer hereby acknowledges that Buyer has reviewed and understands the following consumer product warning regarding the Home Buyer is purchasing as required by Proposition 65:

⚠ **WARNING**: This product can expose you to chemicals including benzene, which are known to the State of California to cause cancer and birth defects or other reproductive harm. For more information go to **www.P65Warnings.ca.gov.**

References to "product" are intended to comply with the terms used in the Proposition 65 regulations. Since Seller is selling a home to Buyer, references to a "product" in this case mean the residence which Buyer is purchasing.

8.33 Assumption of Risk and Liability. By initialing and executing this Disclosure, Buyer assumes all risk and liability for injuries to persons and property that may be sustained by Buyer, members of Buyer's family and Buyer's guests and invitees by reason of all conditions or circumstances disclosed in this Disclosure.

8.34 Formaldehyde. According to information provided by the California Building Industry Association ("***CBIA***"), state and federal governmental agencies have tested the indoor air of certain homes in California for the presence of formaldehyde. Formaldehyde is present in the air because it is emitted by many building materials and home products. These materials and products include carpeting, pressed wood products, insulation, plastics and glues. Most homes that were tested contained formaldehyde, which may present significant health hazards, including significant cancer risk. Formaldehyde has been shown to cause tumors in rodent tests and may be irritating to sensitive humans at levels higher than normally found in new construction. The homes in the Neighborhood have not been tested by the Seller for the presence of formaldehyde. Given the cost of testing, it is not feasible to test every home to ascertain the level of formaldehyde present. According to information provided by the CBIA, the concentration of formaldehyde varies from home to home with no obvious explanation for the differences. One reason for the uncertainty about this variation is that many material suppliers and manufacturers do not provide information on the chemical ingredients they use to manufacture their products. If Buyer has questions about the presence of formaldehyde in Buyer's Home, Seller will, upon request, provide Buyer with a list of the known material suppliers so that Buyer may contact them directly. Neither Seller has any specific information regarding the presence of formaldehyde in the homes in the Neighborhood and makes no representations regarding presence or absence of formaldehyde.

8.35 Notice of Access to Database Regarding the Location of Sex Offenders.

Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an

Internet Web site maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides.

Seller has not and will not check for any offenders in this area. Should Buyer wish to check for offenders in the area in or around the Community, which is of concern to Buyer, please refer to the website set forth above.

8.36 Schools. The Neighborhood is within the Chula Vista Elementary School District and the Sweetwater Union High School District. Buyer acknowledges that Buyer has conducted Buyer's own investigation of the present and future availability of school facilities, and has made Buyer's decision to purchase the Home in reliance on such investigation, and not upon any representation made by Seller or Seller's agents.

For the most current information regarding school assignments, facilities and bus service, purchasers are encouraged to contact the above school district directly. The districts advised overcrowding and other unforeseen facts may require student placement at an alternate school site in order to provide an optimal learning environment for all students. It is Buyer's responsibility to verify with the school districts the then current school assignments for the Home Buyer is purchasing.

8.37 Disclosure to Subsequent Purchasers. When Buyer sells his/her Home, Buyer is required to provide to the subsequent purchaser(s) any documents provided in conjunction with the original sale of the house, including, but not limited to, information that Buyer has regarding the Home, the overall the Community, the Neighborhood, the information set forth in this and any other disclosures provided by Seller to Buyer and any other information that may be of value to the subsequent purchaser(s), including, but not limited to, the Community Governing Declaration and Sub-Association Governing Documents.

8.38 OBLIGATION TO INVESTIGATE. NOTHING CONTAINED HEREIN IS INTENDED TO BE A COMPLETE DISCLOSURE OF ALL FACTS WHICH BUYER MAY WISH TO CONSIDER WHEN BUYING A HOME IN THE COMMUNITY. BUYER SHOULD ALSO REVIEW ALL ITEMS SET FORTH IN THE FINAL SUBDIVISION PUBLIC REPORT ISSUED BY THE CALIFORNIA DEPARTMENT OF REAL ESTATE. BUYER IS STILL OBLIGATED TO CONDUCT HIS/HER FULL INVESTIGATION OF ALL FACTS RELEVANT TO BUYER IN DECIDING WHERE AND WHEN TO BUY.

8.39 REPRESENTATIONS AND WARRANTIES. IT IS UNDERSTOOD AND AGREED THAT THERE HAVE BEEN NO REPRESENTATIONS OR INDUCEMENTS MADE TO BUYER, EXCEPT THOSE SET FORTH IN THIS DISCLOSURE AND/OR IN THE PURCHASE DOCUMENTS, AND THAT NO REPRESENTATION, PROMISE OR WARRANTY HAS BEEN MADE BY SELLER OR ANY AGENT, NEW HOME CONSULTANT OR REPRESENTATIVE OF SELLER. SPECIFICALLY, WITHOUT LIMITATION, NEITHER SELLER NOR ANY AGENT, NEW HOME CONSULTANT OR REPRESENTATIVE OF SELLER HAS MADE ANY REPRESENTATION, PROMISE OR WARRANTY AS TO: (I) THE INVESTMENT POTENTIAL OF THE HOME; (II) THE CONTINUED EXISTENCE OF ANY VIEW FROM THE HOME; (III) FUTURE TRAFFIC PATTERNS IN ANY AREA ADJACENT TO BUYER'S HOME; OR (IV) THE FUTURE DEVELOPMENT OF THE NEIGHBORHOOD OR ANY AREAS ADJACENT TO THE NEIGHBORHOOD, INCLUDING, BUT NOT LIMITED TO, ANY REPRESENTATION, PROMISE OR WARRANTY AS TO WHETHER SUCH AREAS WILL BE DEVELOPED OR AS TO THE (A) SALES PRICE, (B) METHODS OF MARKETING AND SALE, (C) LEASING, (D) PRODUCT TYPE (I.E., SINGLE FAMILY, DETACHED CONDOMINIUMS, ETC.) AND DENSITY, (E) LOT/CONDOMINIUM SIZE, (F) ARCHITECTURAL DESIGN, (G) ELEVATIONS, (H) PROPERTY CONFIGURATION, (I) BUILDING MATERIAL AND COST, OR (J) USE (I.E., RESIDENTIAL, COMMERCIAL OR INDUSTRIAL) OR ANY DEVELOPMENT OF ANY OF SUCH AREAS. BUYER AGREES THAT SELLER SHALL HAVE COMPLETE DISCRETION AS TO THE MATTERS SET FORTH IN THE PRECEDING SENTENCE (SUBJECT, HOWEVER, TO APPLICABLE GOVERNMENTAL REQUIREMENTS).

IX. VISITING THE NEIGHBORHOOD BEFORE MOVE-IN

If Buyer wishes to visit the Neighborhood and the Home before Buyer moves in, Buyer must first obtain the permission of Seller by making a request to Seller's New Home Consultant. Buyer's Home is located within a construction area and construction sites are potentially dangerous. That is why, for Buyer's own safety, Buyer will not be permitted to visit the Neighborhood or Buyer's Home without the prior permission of Seller and without being accompanied by Seller's New Home Consultant, or another authorized representative of Seller at all times during Buyer's visit. Seller requests that such visits be limited to non-construction hours.

By signing this Disclosure, Buyer acknowledges that there are numerous risks associated with visiting the Neighborhood and/or the Home during construction, including without limitation, open trenches, construction traffic, potential falling debris, exposed nails and electrical wiring, incomplete construction and certain other potential hazards and Buyer agrees to use due care during such a visit. As a material inducement to Seller to allow Buyer to visit the Neighborhood and/or the Home while it is under construction, Buyer hereby agrees, as demonstrated by Buyer's signature below, that Buyer will comply with all procedures and requirements imposed by Seller for such a visit, that Buyer will proceed at Buyer's own risk and that Buyer releases and waives any claims against Seller and all of its affiliates, parent and subsidiary companies, officers, directors, managers, members, employees, attorneys, assigns and any and all other persons or entities that could be potentially liable to Buyer concerning, in connection with, relating to, or as a result of Buyer's visit to the Neighborhood, Community, and/or the Home while under construction. In addition, when Buyer arrives at the Neighborhood, Buyer may be required to sign a separate waiver and release of claims ("***Waiver***"). Regardless of whether Buyer signs the Waiver, Buyer's signature below demonstrates that Buyer agrees to proceed at Buyer's own risk and to release Seller of any liability, as stated herein.

X. ENTIRE DISCLOSURE; NO OTHER REPRESENTATION

NO NEW HOME CONSULTANT, EMPLOYEE OR AGENT OF SELLER HAS THE AUTHORITY TO MAKE ANY REPRESENTATION TO BUYER WHICH CONTRADICTS OR MODIFIES THE MATTERS AND INFORMATION SET FORTH IN THIS DISCLOSURE, THE PURCHASE AGREEMENT OR ANY OTHER WRITTEN DISCLOSURE PROVIDED BY SELLER IN CONNECTION WITH THE PURCHASE OF A HOME IN THE NEIGHBORHOOD (COLLECTIVELY, THE "***DISCLOSURE DOCUMENTS***"). BUYER ACKNOWLEDGES THAT NO REPRESENTATIONS HAVE BEEN MADE TO BUYER BY SUCH PERSONS OTHER THAN AS SET FORTH IN THE DISCLOSURE DOCUMENTS AND UPON WHICH BUYER HAS RELIED IN CONNECTION WITH THE PURCHASE OF THE HOME.

XI. RELEASE AND INDEMNITY REGARDING DISCLOSURES

With respect to items of information disclosed to Buyer in this Disclosure or in any Disclosure Documents provided by Seller (collectively, "***Disclosure Items***"), Buyer acknowledges receipt of adequate consideration, and based thereon Buyer agrees that Buyer releases, waives and will not make any claims against Seller for alleged incomplete Disclosure Items if such items are disclosed or such information is readily available to Buyer, or for personal injury, property damage, expenses (including attorney fees and costs) and other damages Buyer experiences from the alleged incomplete disclosure of Disclosure Items. Buyer also agrees that Buyer will indemnify and hold Seller, and all of its affiliated entities, officers, directors, managers, members, agents and assigns, harmless from all such claims by Buyer in the event that Buyer brings a claim or action described above against Seller and Buyer is not the prevailing party in such claim or action.

DS AB ______ Buyer's Initials   DS MB ______ Buyer's Initials

HOMEBUYER DISCLOSURE STATEMENT

BUYER ACKNOWLEDGMENT

By signing below, Buyer acknowledges that Buyer is closing escrow with full knowledge, understanding and agreement to all of the foregoing.

DocuSigned by: Ginamarie Black
AD3857CB46DD4C8...
Buyer - Ginamarie Black
Date 3/5/2024

DocuSigned by: Mark Black
BB4F66B9607849C...
Buyer - Mark Black
Date 3/5/2024

Buyer -
Date

Buyer -
Date

Phase No. 5

Unit No. 104 in Lot 0104 of Map No. 16553

ATTACHMENT 1

LIST OF UNITS WITHIN THE LUNA AT SUNBOW HOMEOWNERS ASSOCIATIONS

Luna at Sunbow Homeowners Association I:	Units 39 through 55 of Lot 5 of Map 16553 Units 64 through 128 of Lot 1 of Map 16553
Luna at Sunbow Homeowners Association II:	Units 1001 through 1038 of Lot 5 of Map 16553 Units 1056 through 1104 of Lot 5 of Map 16553
Luna at Sunbow Homeowners Association III:	Units 3001-3111 of Lot 3 of Map 16553

Community: LUNA @ Sunbow **Phase:** 5 **Homesite:** 0104 **Tract:** MAP NO. 16553

PURCHASE AGREEMENT AND DEPOSIT RECEIPT
AND ESCROW INSTRUCTIONS
("Purchase Agreement")

THIS DOCUMENT HAS IMPORTANT LEGAL CONSEQUENCES AND SHOULD BE READ THOROUGHLY PRIOR TO SIGNING. IF YOU HAVE ANY QUESTIONS ABOUT YOUR RIGHTS OR OBLIGATIONS UNDER THIS DOCUMENT, YOU MAY WISH TO CONSULT AN ATTORNEY.

BUYER Ginamarie Black, Mark Black agrees to purchase, and SELLER, Lennar Homes of California, LLC, a California limited liability company agrees to sell, the following described real property for the purchase price and upon the terms stated below.

1. **PROPERTY DESCRIPTION**. Homesite 0104 Plan & Elevation Residence 1 R /A / Lot/Unit No. 0104/104 Building No. 7B Tract No. MAP NO. 16553 Color Scheme 7 situated in the City/County of Chula Vista / San Diego, California, commonly known as 808 Mateo Street, Unit 2 Chula Vista CA 91911, together with the improvements constructed thereon or to be constructed thereon substantially in accordance with the plans and specifications on file with the appropriate governmental agencies ("**Property**"). **SELLER retains the right to make non-material modifications to the plans and specifications from time to time in SELLER'S sole discretion and without compensation to BUYER.**

Buyer's Initials ___GB___ ___MB___

2. **PURCHASE PRICE**. The Purchase Price for the Property, exclusive of BUYER options and closing costs, shall be payable as follows: $593,900.00

A. Deposit, which SELLER acknowledges receiving on ____________.	$7,500.00
B. First trust deed loan proceeds;	$573,113.00
C. Options and Upgrades;	$.00
D. Balance of down payment to be deposited in Escrow within (3) three days after Escrow's request for funds;	$13,287.00
TOTAL:	$593,900.00
E. Estimated closing costs;	$.00
F. Estimated funds to close escrow;	$13,287.00
All payments shall be made by cashiers check or federal wire transfer of funds.	Lines D + E

3. **FINANCING**. BUYER and SELLER agree this Purchase __X__ is ____ is not contingent upon BUYER obtaining a loan commitment for financing secured by the Property. As used herein the term "Loan Commitment" shall mean the written approval by a loan underwriter (not a loan broker) agreeing to provide funds necessary for closing. Should this purchase be contingent upon such financing, BUYER will immediately, but not later than five (5) days after SELLER'S acceptance, make full and complete application to obtain financing of the amount specified in Paragraph 2B above. BUYER may make application to Lennar Mortgage, LLC ("**Lennar Mortgage**") or any lender of BUYER'S choice. Regardless of lender selected by BUYER, SELLER requires BUYER to submit to Lennar Mortgage, an affiliate of SELLER, for its own purposes, a preliminary assessment of BUYER'S ability to qualify for a mortgage loan to purchase the Property, such information and authorizations requested by Lennar Mortgage to perform the preliminary qualification assessment. BUYER is not obligated to use Lennar Mortgage to obtain a loan to purchase the Property. If BUYER chooses to obtain financing through a lender other than Lennar Mortgage, BUYER agrees to provide SELLER with the name, address and phone number of such lender, the loan officer and loan processor, all within the same five (5) day period. BUYER hereby authorizes such other lender to provide SELLER with a copy of BUYER'S loan application documents and all information regarding the status of the loan upon SELLER'S request. If BUYER elects to accept a loan from such other lender, BUYER will not be charged a credit report fee by Lennar Mortgage. BUYER agrees in good faith to take all steps required for the processing of the loan application and to promptly sign all documents and do all acts required by lender. Any cancellation or withdrawal of said loan application by BUYER prior to the issuance of a loan approval shall be a default of this Purchase Agreement as set forth in Paragraph 13 below. BUYER agrees that after submitting a loan application for loan approval, BUYER will not take any action intended to impair BUYER'S credit. The terms and conditions of the loan are a matter of concern solely between BUYER and lender and shall not in any way affect the rights or obligations of BUYER or SELLER hereunder. In no event shall Buyer change BUYER'S selected lender within thirty (30) days of the Close of Escrow, regardless of the reason for such change. Should BUYER receive loan approval, but thereafter, through no fault of SELLER, but through BUYER'S voluntary or willful actions, fail to timely close escrow, BUYER shall be in default of this Purchase Agreement as set forth in Paragraph 13 below. **BUYER understands the interest rate for the loan will be at the prevailing rate of the lender when the loan is funded or such other rate as BUYER and lender may jointly determine.**

BUYER and SELLER understand and acknowledge that if for any reason, other than BUYER'S failure to perform as required under this section and provided that BUYER is not otherwise in default under the Purchase Agreement and has not cancelled or withdrawn BUYER'S loan application, BUYER has not obtained a loan commitment by 03/27/2024, then, upon BUYER'S execution of Escrow Holder's instructions to cancel Escrow and this Purchase Agreement, all sums deposited by BUYER shall be promptly refunded to BUYER. **If BUYER fails to obtain the loan commitment by the date set forth above, SELLER may, at its option, unilaterally cancel this Purchase Agreement**. Should BUYER'S lender delay the Close of Escrow ("**Close of Escrow**"), SELLER has no obligation to extend the Close of Escrow, but SELLER may grant an extension on terms and conditions as provided hereinbelow.

4. **DEPOSIT**. As a Deposit, BUYER hereby hands SELLER the sum of $7,500.00. In the event SELLER does not accept this offer, SELLER shall immediately return such sum to BUYER. Escrow Holder is not to be concerned with or responsible for such Deposit other than to acknowledge and to credit such sum as paid. With the exception of this Deposit (and any additional deposit required, if applicable), the balance of all funds in this transaction shall be held by Escrow Holder. In connection with the receipt of all Deposits held outside of Escrow by SELLER, SELLER has delivered a surety bond to the California Department of Real Estate pursuant to the provisions of Title 10 of the California Code of Regulations Section 2791.2, at least equal in amount to the aggregate of all such funds held by SELLER outside of Escrow. At the Close of Escrow, BUYER'S Deposit shall be credited to BUYER'S account. In the event Escrow fails to close through no fault of BUYER, and provided BUYER's Deposit has received bank clearance, SELLER shall, within five (5) days of notice by Escrow Holder, transmit to Escrow Holder, funds equal to the Deposits paid by BUYER.

5. **ESCROW**. By execution of this Purchase Agreement, BUYER authorizes SELLER to open Escrow at Lennar Title immediately upon SELLER'S acceptance, and both parties agree to the general provisions of the Escrow Holder's escrow instructions which are not inconsistent with the terms and conditions of this Purchase Agreement. In the event of any inconsistency, the terms of this Purchase Agreement shall control. This Purchase Agreement and the general provisions shall be deemed Escrow Instructions. In the event SELLER does not hold BUYER'S Deposit pursuant to Paragraph 4, SELLER shall deposit BUYER'S Deposit with Escrow Holder. Should SELLER be delayed in substantially completing the Property by reason of Force Majeure Events (as defined in Section 12.1 below) the time of such delay shall be automatically added to the time specified for the Estimated Closing Date and/or the Closing Date, as applicable, provided BUYER is given reasonable notice of such delay and provided that in no event shall such delay extend the Escrow beyond the period set forth in Section 12 below. **Close of Escrow shall be within ten (10) days following SELLER'S oral or written notification to BUYER and Escrow Holder that the home will be certified for occupancy by the City/County, currently estimated to be on or about 07/09/2024. BUYER acknowledges that said date is an estimate only and that the actual date for Close of Escrow may vary from the date stated. Should Escrow fail to close in a timely manner through no fault of BUYER, SELLER shall promptly remit to Escrow all funds received by SELLER and shall order all Deposits remitted by BUYER to SELLER or Escrow, to be refunded to BUYER within fifteen (15) days after the estimated closing date specified in this Purchase Agreement, or any mutually agreed upon extended closing date. Upon request by BUYER, SELLER may, in SELLER'S sole discretion, grant BUYER an extension of the Close of Escrow, provided however, in consideration of such extension, BUYER shall pay SELLER, an amount equal to one (1) percent of the Purchase Price per month as carrying costs. Such extension payment shall be prorated on a daily basis at the time escrow closes.** Notwithstanding the foregoing, if this Agreement is contingent upon the BUYER obtaining mortgage loan financing to complete the purchase of the Property, SELLER shall agree to postpone the Closing Date to the extent such postponement is required in order for BUYER'S Lender to meet any waiting period required under the Consumer Financial Protection Bureau's TILA-RESPA Integrated Disclosure Rule. In such event, Seller shall not impose any of the carrying costs described above or declare BUYER in default under paragraph 13 below. However, in such event, Seller shall have no liability to the BUYER for failure to deliver the Property on the originally scheduled Closing Date.

6. CONDITIONS TO CLOSE ESCROW. This Escrow shall not close, funds shall not be released, and title shall not be conveyed to BUYER until each of the following conditions have been met:

A. Any and all blanket encumbrances, as defined in California Business and Professions Code Section 11013, affecting the Property have been released and the statutory period for recordation of all mechanic's lien claims has expired, or the Title Policy shall include an endorsement or other coverage at SELLER'S expense insuring BUYER and the Homeowners Association against unrecorded mechanic's liens; and

B. Title, or easements of access, use and enjoyment, free and clear of any blanket encumbrances to the common areas within the Phase in which the Property is located is conveyed to the Homeowners Association; and

C. Any or all monetary encumbrances of record prior to the recording of the Covenants, Conditions and Restrictions have been subordinated thereto; and

D. All common facilities and improvements within the Phase which includes the Property have been completed, as evidenced by a Notice of Completion (as defined in Civil Code Section 8182) being recorded covering all the foregoing improvements; and either (i) the statutory period for recordation of all mechanic's lien claims has expired, or (ii) the BUYER and the Homeowners Association are provided with policies of the title insurance with endorsements against mechanic's liens; OR

Escrow Holder has accepted a deposit, by or on behalf of the SELLER, of a bond, cash deposit or other financial security in a form and amount acceptable to the California Department of Real Estate("**DRE**"), as evidenced by Form RE 621A, to assure the lien-free completion of all those common facilities and improvements which are not completed and paid for as of the date of furnishing the financial security to assure completion; and

E. SELLER has posted a bond or other security to ensure availability of funds for the operation and maintenance of common areas and facilities as provided in Subsection 2 of the Real Estate Commissioner's Regulation 2792.9, said bond to remain on deposit with Escrow Holder until eighty percent (80%) of the Homesites in this Phase of the Community have been sold.

7. **TITLE INSURANCE**. Title to the Property shall be insured by a CLTA policy of title insurance ("**Title Policy**") issued by Lennar Title upon Close of Escrow. The Title Policy shall insure fee title to the Property vested in BUYER, with a liability limit equal to the Purchase Price, subject only to such matters of title as are described below in this Paragraph. SELLER shall not be responsible for the cost of any additional title policy or endorsements required by the lender. The Property shall be conveyed free of any blanket encumbrances subject only to the lien for current taxes, assessments, covenants, conditions, restrictions, reservations, easements, rights of way and other matters of record. Property vesting shall be as BUYER instructs Escrow Holder.

8. **DELIVERY TO ESCROW**. Not later than seven (7) business days prior to Close of Escrow, BUYER shall deliver to Escrow Holder all documents and funds, not less than twenty-four (24) hours prior to Close of Escrow, necessary from BUYER and BUYER'S lender (if any) to close Escrow, and SELLER shall deliver to Escrow Holder all documents necessary from SELLER to close Escrow, including a fully executed and acknowledged grant deed for the Property ("**Grant Deed**"). On the date of Close of Escrow, Escrow Holder shall cause the Grant Deed to be recorded in the County's Official Records and shall then deliver to SELLER the proceeds of this Escrow to which SELLER is entitled.

9. **PRORATIONS**. Prorations and adjustments shall be made by Escrow Holder as of the Close of Escrow on the basis of a 30-day month on the following items:

A. Taxes, based on the latest figures available to Escrow Holder, including all items appearing on real property tax bills, except taxes on property not subject to this Escrow.

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 bills directly to the Tax Collector. If you have any questions concerning this matter, please call your local Tax Collector's Office.

In the event SELLER receives a supplemental tax bill applicable only for prior tax year(s) before the tax year in which Close of Escrow occurs, such supplemental tax bill shall be the sole responsibility of SELLER. If any such supplemental tax bill has been issued for the current tax year, said supplemental tax bill will be added to the current tax bill and prorated accordingly at the Close of Escrow. ANY TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER.

B. Monthly Assessments due to the Homeowners Association.

10. **INSPECTION OF PROPERTY**. Prior to Close of Escrow, SELLER shall provide BUYER with a New Home Orientation (commonly referred to as a "walkthrough") of the Property. Pursuant to SELLER'S "Zero Defects℠", SELLER will complete all SELLER agreed to corrective work set forth on the Orientation list in a workmanlike manner, and BUYER shall cooperate fully with SELLER to enable SELLER, its agents, employees and contractors to complete such corrective work. It is SELLER'S "Zero Defects℠" policy to complete all agreed upon orientation corrective work prior to Close of Escrow, however, SELLER, and only SELLER may, in its sole discretion, delay the Close of Escrow in order to complete such corrective work. Completion of such corrective work shall not be a condition to the Close of Escrow. If BUYER and SELLER have not made such an inspection within ten (10) days from SELLER'S notification provided in Paragraph 5 above, due solely to BUYER'S unexcused failure to inspect, BUYER shall be deemed to have waived BUYER'S right to have the New Home Orientation performed prior to the Close of Escrow.

"Zero Defects℠" does not mean homes or services will be without imperfections. "Zero Defects℠" describes the goal of having every home delivered without any outstanding items to be completed, and as few imperfections in the homes or services, in SELLER'S sole opinion, as are possible considering the materials and labor forces available.

11. **ENTRY UPON PROPERTY**. Without the prior written approval of SELLER, BUYER shall not be permitted to enter, occupy or take possession of the Property, or make any alterations of, or additions to, any interior or exterior improvements thereon, until after the Close of Escrow. BUYER shall not enter the Community or the Property during the construction period unless accompanied by a representative of SELLER. BUYER'S entry onto the Property prior to the Close of Escrow to perform any work on or to the Property without SELLER'S express prior written consent shall constitute a default under this Purchase Agreement. **BUYER realizes and acknowledges that entry upon the Property during construction can be dangerous and that hazards may exist which are not observable. BUYER'S entry shall be solely at his or her own risk. BUYER hereby waives any and all claims against SELLER for injury or loss to person or property arising out of, or in connection with, such entry by BUYER or any other person accompanying BUYER or entering at BUYER'S direction, and BUYER hereby indemnifies, and promises to defend and hold SELLER harmless from and against any injury, loss, damage, or expense, (including, without limitation, attorneys' fees) to persons or property arising out of, or in connection with, any such entry**. Until Close of Escrow, BUYER or BUYER'S agents shall not be permitted to show or advertise the Property to prospective purchasers or tenants or place any signs at or near the Property without the prior written consent of SELLER, which consent may be withheld by SELLER in its sole and absolute discretion.

12. **DELIVERY OF POSSESSION**. Possession of the Property shall be delivered to BUYER upon the Close of Escrow. In the event SELLER fails to complete the home and deliver possession to BUYER within one (1) year from the date of SELLER'S execution of this Purchase Agreement, or for such additional period of time as the parties may mutually agree, BUYER shall have the right to terminate this Purchase Agreement. Upon termination for such reason, SELLER shall promptly return BUYER'S Deposit pursuant to Paragraph 4 above.

12.1 COMPLETION DATE. It is expressly agreed by Buyer that notwithstanding anything to the contrary specified herein or verbally represented (including but not limited to Seller's New Home Consultant), any scheduled completion date is a good faith estimate, and Seller makes no promises or representations concerning the estimated date of completion. Buyer agrees that Buyer has not relied, and will not rely upon, any estimated completion date for any purpose whatsoever, including, without limitation, relocation of residence, storage of personal property, or lock-in financing, and Buyer agrees that Seller shall not be liable for any additional costs, expenses or damages whatsoever should the Property not be completed by an estimated completion date. Notwithstanding the foregoing, Seller is required to complete and does agree that the construction of the Property shall be completed not later than two (2) years from the date of Buyer's execution of this Purchase Agreement. If construction is delayed by any event recognized by the law of the state in which the Property is located as a defense to a contract action for non-performance or a delay in performance, then the date of completion shall be extended by the delay period. It is the express intent of the parties that the parties' rights and obligations under this Purchase Agreement be construed in the manner necessary to exempt this Purchase Agreement and the sale of the Property from registration under the Interstate Land Sales Full Disclosure Act, and both Buyer and Seller hereby expressly waive any right or provision of this Purchase Agreement that would otherwise preclude such exemption.

12.2 FORCE MAJEURE EVENTS. As used in this Purchase Agreement, the term "Force Majeure Events" mean events beyond SELLER'S reasonable control, including but not limited to, strikes, boycotts, unavailability of materials, labor shortages, or delays in receiving materials, shortages, allocations or rationing by any governmental authority or public or private utility, civil riot, insurrection, war, foreign military commitments, flood, fire, earthquake, act of God, unusually severe weather, delays or inaction of independent contractors, litigation, delays caused by contributable acts or omissions of any public or governmental entity such as a moratorium on issuance of permits, to the extent that such events are recognized as defenses to contract performance under California law.

13. **BUYER'S DEFAULT. BUYER SHALL BE IN DEFAULT OF THIS PURCHASE AGREEMENT IF, THROUGH NO FAULT OF SELLER, BUYER FAILS TO PERFORM ANY OF BUYER'S OBLIGATIONS PURSUANT TO THE TERMS AND CONDITIONS OF THE PURCHASE AGREEMENT, INCLUDING, BUT NOT LIMITED TO, DEPOSITING OF THE FUNDS IN THE AMOUNTS AND AT THE TIMES REQUIRED IN PARAGRAPHS 2 AND 4 ABOVE; BUYER FAILS TO PROMPTLY COMPLETE, EXECUTE AND DELIVER THE FINANCING AND ESCROW DOCUMENTS REFERRED TO HEREIN; BUYER WITHDRAWS OR CANCELS BUYER'S LOAN APPLICATION PRIOR TO THE ISSUANCE OF LOAN APPROVAL; OR, BUYER, THROUGH NO FAULT OF SELLER, FAILS TO CLOSE ESCROW WITHIN THE TIME PROVIDED IN PARAGRAPH 5. UPON BUYER'S DEFAULT, SELLER SHALL GIVE WRITTEN NOTICE OF THE DEFAULT TO BOTH BUYER AND ESCROW HOLDER. IF BUYER HAS FAILED TO CURE THE DEFAULT, IF CURABLE, WITHIN THREE (3) DAYS AFTER DELIVERY OF SUCH NOTICE, SELLER MAY UNILATERALLY CANCEL THIS PURCHASE AGREEMENT AND ESCROW. SELLER SHALL GIVE BUYER AND ESCROW HOLDER WRITTEN NOTICE OF SUCH CANCELLATION. THIS PURCHASE AGREEMENT SHALL BE NULL AND VOID AND OF NO FURTHER FORCE OR EFFECT OTHER THAN THOSE PROVISIONS WHICH DEAL WITH BUYER'S DEFAULT AND SELLER SHALL HAVE NO OBLIGATION TO COMPLETE THE SALE TO BUYER.**

DS AB DS MB — **BUYER'S INITIALS** DS CB — **SELLER'S INITIALS**

14. **LIQUIDATED DAMAGES AND DISPUTE RESOLUTION.**

14.1 LIQUIDATED DAMAGES FOR BUYER'S DEFAULT. IF BUYER FAILS TO COMPLETE THE PURCHASE OF THE PROPERTY BECAUSE OF A DEFAULT BY BUYER, SELLER MAY PURSUE ANY REMEDY IN LAW OR EQUITY THAT IT MAY HAVE AGAINST BUYER ON ACCOUNT OF THE DEFAULT; PROVIDED HOWEVER, THAT BY PLACING THEIR INITIALS HERE,

BUYER DS AB DS MB **AND SELLER** DS CB **AGREE THAT:**

A. IN THE EVENT OF SUCH DEFAULT, IT WOULD BE EXTREMELY DIFFICULT AND IMPRACTICAL TO ASCERTAIN THE ACTUAL DAMAGES SUFFERED BY SELLER.

B. THE AMOUNT EQUAL TO BUYER'S PURCHASE MONEY DEPOSIT SHALL CONSTITUTE "LIQUIDATED DAMAGES" PAYABLE TO SELLER IF BUYER FAILS TO COMPLETE THE PURCHASE OF THE PROPERTY BECAUSE OF A DEFAULT BY BUYER. THE "PURCHASE MONEY DEPOSIT" SHALL INCLUDE ANY AMOUNT SEPARATELY DEPOSITED BY BUYER AS AN "OPTION DEPOSIT" IN CONNECTION WITH UPGRADES AND OPTIONAL ITEMS, IF ANY, ARE ORDERED BY BUYER. THE VALIDITY AND REASONABLENESS OF THE AMOUNT OF LIQUIDATED DAMAGES SHALL BE DETERMINED IN ACCORDANCE WITH CALIFORNIA CIVIL CODE SECTIONS 1675-1678.

C. THE PAYMENT OF SUCH LIQUIDATED DAMAGES TO SELLER SHALL CONSTITUTE THE EXCLUSIVE REMEDY OF SELLER ON ACCOUNT OF ANY DEFAULT BY BUYER.

D. LIQUIDATED DAMAGES SHALL BE PAYABLE TO SELLER OUT OF BUYER'S PURCHASE MONEY DEPOSIT ACCORDING TO THE FOLLOWING PROCEDURES:

1) SELLER SHALL GIVE WRITTEN NOTICE ("SELLER'S NOTICE AND DEMAND"), IN THE MANNER PRESCRIBED BY SECTION 116.340 OF THE CALIFORNIA CODE OF CIVIL PROCEDURE FOR SERVICE IN A SMALL CLAIMS ACTION, TO ESCROW HOLDER AND TO BUYER THAT BUYER IS IN DEFAULT UNDER THE TERMS OF THIS PURCHASE AGREEMENT AND THAT SELLER IS DEMANDING THAT ESCROW HOLDER REMIT THE PURCHASE MONEY DEPOSIT TO SELLER AS LIQUIDATED DAMAGES. SELLER SHALL, IMMEDIATELY UPON GIVING SELLER'S NOTICE AND DEMAND, DELIVER TO ESCROW HOLDER ALL PURCHASE MONEY FUNDS OF BUYER HELD BY SELLER OUTSIDE OF ESCROW.

2) BUYER SHALL HAVE A PERIOD OF TWENTY (20) DAYS FROM THE DATE OF RECEIPT OF SELLER'S NOTICE AND DEMAND IN WHICH TO GIVE ESCROW HOLDER BUYER'S WRITTEN OBJECTION TO THE DISBURSEMENT AND RELEASE OF BUYER'S PURCHASE MONEY DEPOSIT ("BUYER'S OBJECTION").

3) IF BUYER FAILS TO GIVE ESCROW HOLDER BUYER'S OBJECTION WITHIN TWENTY (20) DAYS FROM THE DATE OF RECEIPT OF SELLER'S NOTICE AND DEMAND ESCROW HOLDER SHALL PROMPTLY REMIT THE AMOUNT DEMANDED TO SELLER.

4) IF BUYER GIVES ESCROW HOLDER BUYER'S OBJECTION WITHIN TWENTY (20) DAYS FROM THE DATE OF RECEIPT OF SELLER'S NOTICE AND DEMAND, THEN THE CONTROVERSY SHALL BE DETERMINED BY SUBMISSION TO BINDING ARBITRATION AS PROVIDED IN PARAGRAPH 14.2 BELOW.

5) SHOULD BUYER NOT AGREE TO THE FOREGOING LIQUIDATED DAMAGES PROVISION, THEN THE LIQUIDATED DAMAGES AMOUNT SPECIFIED ABOVE SHALL NOT BE CONSIDERED A LIMITATION ON THE AMOUNT OF DAMAGES SELLER MIGHT RECOVER AS A RESULT OF BUYER'S DEFAULT.

SELLER AGREES TO INDEMNIFY AND HOLD ESCROW HOLDER HARMLESS FROM ANY CLAIM ARISING OUT OF ANY DISTRIBUTIONS MADE BY ESCROW HOLDER IN ACCORDANCE WITH AND PURSUANT TO THE PROVISIONS OF THIS SECTION.

14.2 **ARBITRATION OF DISPUTES**. ANY BINDING ARBITRATION REQUIRED PURSUANT TO THE FOREGOING PARAGRAPH 14.1 OF THIS PURCHASE AGREEMENT MAY INCLUDE A DETERMINATION OF THE REASONABLENESS OF THE AMOUNT TO BE PAID AS LIQUIDATED DAMAGES, THE VALIDITY OF THE FOREGOING LIQUIDATED DAMAGES PROVISION, CLAIMS THAT A PARTY IS IN DEFAULT UNDER THIS PURCHASE AGREEMENT, AND THE DISPOSITION OF THE FUNDS DEPOSITED INTO ESCROW BY BUYER, AND SHALL INCLUDE ALL CAUSES OF ACTION WHICH HAVE ARISEN BETWEEN BUYER AND SELLER RELATED THERETO AND SHALL BE CONDUCTED AS PROVIDED HEREIN.

THE RULES AND PROCEDURES FOR BINDING ARBITRATION SHALL BE SUBJECT TO THE FOLLOWING:

A. THE ARBITRATION SHALL BE CONDUCTED BY THE AMERICAN ARBITRATION ASSOCIATION ("AAA"), IF SUCH ENTITY IS THEN IN EXISTENCE, AND, IF NOT, THEN BY JUDICIAL ARBITRATION MEDIATION SERVICES, INC. ("**JAMS**"), AT A LOCATION SELECTED BY THE ARBITRATOR IN THE COUNTY WHERE THE PROPERTY IS LOCATED (OR SUCH OTHER LOCATION AS THE PARTIES MAY AGREE UPON). AAA OR JAMS, AS THE CASE MAY BE, ARE REFERRED TO HEREIN AS THE "ARBITRATION SERVICE." EXCEPT AS MODIFIED BY THE TERMS OF THIS PURCHASE AGREEMENT, THE ARBITRATION SHALL BE CONDUCTED IN ACCORDANCE WITH THE COMPREHENSIVE ARBITRATION RULES OF JAMS, OR THE COMMERCIAL ARBITRATION RULES OF THE AAA.

B. THE ARBITRATION SHALL BE COMMENCED UPON DELIVERY BY EITHER PARTY TO THE OTHER AND TO THE ARBITRATION SERVICE (AND, IF ESCROW IS STILL OPEN, TO ESCROW HOLDER) OF A WRITTEN DEMAND FOR ARBITRATION, WHICH SHALL SET FORTH WITH SPECIFICITY THE PARTICULARS OF SUCH PARTY'S CLAIM(S), THE ISSUES TO BE SUBMITTED TO ARBITRATION AND THE RELIEF SOUGHT.

C. SELLER SHALL ADVANCE THE FEES NECESSARY TO INITIATE ARBITRATION, WITH THE COSTS AND ARBITRATOR'S FEES, INCLUDING ONGOING COSTS AND ARBITRATOR'S FEES TO BE PAID AS AGREED BY THE PARTIES, OR, IF THE PARTIES CANNOT AGREE UPON THE PAYMENT OF THE ONGOING COSTS AND FEES, THEN AS DETERMINED BY THE ARBITRATOR, WITH THE OVERALL COSTS AND FEES OF THE ARBITRATION TO BE ULTIMATELY BORNE AS DETERMINED BY THE ARBITRATOR.

D. THE ARBITRATION SHALL BE CONDUCTED BY ONE NEUTRAL AND IMPARTIAL ARBITRATOR WHO SHALL BE SELECTED JOINTLY BY THE PARTIES WITHIN FIFTEEN (15)

CALENDAR DAYS FOLLOWING DELIVERY OF THE DEMAND FOR ARBITRATION, FROM THE LIST OF THEN AVAILABLE ARBITRATORS OF THE ARBITRATION SERVICE WHO ARE RETIRED JUDGES OF THE STATE OR FEDERAL COURT SYSTEMS. UNLESS SUCH FIFTEEN (15) DAY PERIOD IS EXTENDED BY MUTUAL AGREEMENT OF THE PARTIES, IF THE PARTIES HAVE FAILED TO AGREE UPON AN ARBITRATOR WITHIN SUCH PERIOD, THE ARBITRATION SERVICE SHALL SELECT A RETIRED JUDGE OF THE STATE OR FEDERAL COURT SYSTEMS FROM ITS LIST AS THE ARBITRATOR TO CONDUCT THE ARBITRATION IN SELECTING THE ARBITRATOR, THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1297.121 SHALL APPLY AND AN ARBITRATOR MAY BE CHALLENGED FOR ANY OF THE GROUNDS SET FORTH THEREIN.

E. THE ARBITRATION SHALL COMMENCE IN A PROMPT AND TIMELY MANNER ON THE DATE ESTABLISHED (i) IN ACCORDANCE WITH THE RULES OF THE ARBITRATION SERVICE, OR IF THE ARBITRATION SERVICE'S RULES DO NOT SPECIFY A DATE BY WHICH THE ARBITRATION MUST COMMENCE, THEN (ii) BY AGREEMENT OF THE PARTIES, OR IF THEY CANNOT AGREE, THEN (iii) BY THE ARBITRATOR. THE ARBITRATION SHALL BE CONDUCTED BY THE ARBITRATOR IN SUCH A MANNER SO AS TO OBTAIN A PROMPT AND TIMELY CONCLUSION OF THE MATTER.

F. BUYER AND SELLER SHALL EACH HAVE THE RIGHT TO BE REPRESENTED BY COUNSEL.

G. THE PARTIES MAY CONDUCT DISCOVERY AS IF THE MATTER WERE PENDING BEFORE A CALIFORNIA COURT AND THE ARBITRATOR SHALL HAVE THE POWER TO ISSUE AND ENFORCE SUBPOENAS AND TO AWARD SANCTIONS; PROVIDED, HOWEVER, THE PARTIES MAY APPLY TO EITHER THE ARBITRATOR OR THE COURTS OF THE STATE OF CALIFORNIA FOR PROTECTIVE ORDERS WITH RESPECT TO SUCH DISCOVERY.

H. THE ARBITRATOR SHALL BE AUTHORIZED TO PROVIDE ANY REMEDIES OR RELIEF IN LAW OR IN EQUITY, WHICH THE COURTS OF THE STATE OF CALIFORNIA COULD ISSUE, FOR ANY CAUSE OF ACTION THAT IS THE BASIS OF THE ARBITRATION. THE ARBITRATOR SHALL FOLLOW THE STANDARDS FOR ISSUING SUCH RELIEF AS DEFINED UNDER CALIFORNIA LAW AND THE ARBITRATOR SHALL FOLLOW THE CALIFORNIA RULES OF EVIDENCE AND THE JUDICIAL CANONS OF ETHICS. THE ARBITRATOR'S JUDGMENT SHALL BE FINAL AND BINDING UPON THE PARTIES, SHALL CONSTITUTE MUTUAL WRITTEN ESCROW INSTRUCTIONS TO ESCROW HOLDER, AND MAY BE ENTERED IN ANY COURT OF THE STATE OF CALIFORNIA HAVING JURISDICTION THEREOF.

NOTICE: BY INITIALING IN THE SPACE BELOW, SELLER AND BUYER ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THIS ARBITRATION OF DISPUTES PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND ARE GIVING UP ANY RIGHTS EACH MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED BY A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW EACH IS GIVING UP THEIR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS SUCH RIGHTS ARE SPECIFICALLY INCLUDED IN THIS ARBITRATION OF DISPUTES PROVISION. IF EITHER PARTY REFUSES TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, EACH MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY. BOTH PARTIES HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE ARBITRATION OF DISPUTES PROVISIONS TO NEUTRAL ARBITRATION.

DS AB	DS MB		DS CB	
BUYER'S INITIALS			**SELLER'S INITIALS**	

14.3 **MEDIATION/ARBITRATION FOR ALL OTHER DISPUTES**. THE PROVISIONS IN THIS PARAGRAPH 14.3 SHALL SURVIVE THE CLOSE OF ESCROW, SHALL APPLY TO ANY "DISPUTES" (AS DEFINED BELOW) ARISING AFTER CLOSE OF ESCROW, AND SHALL NOT BE MERGED INTO THE GRANT DEED.

A. THE PARTIES TO THIS PURCHASE AGREEMENT SPECIFICALLY AGREE THAT THIS TRANSACTION INVOLVES INTERSTATE COMMERCE AND THAT ANY DISPUTE (HEREIN AFTER DEFINED) SHALL FIRST BE SUBMITTED TO MEDIATION AND, IF NOT SETTLED DURING MEDIATION, SHALL THEREAFTER BE SUBMITTED TO BINDING ARBITRATION AS PROVIDED BY THE FEDERAL ARBITRATION ACT (9 U.S.C. §§1 ET SEQ.) AND NOT BY OR IN A COURT OF LAW OR EQUITY. "DISPUTES" (WHETHER CONTRACT, WARRANTY, TORT, STATUTORY OR OTHERWISE EXCEPT THOSE CLAIMS AND ISSUES COVERED BY PARAGRAPH 14.1), SHALL INCLUDE, BUT ARE NOT LIMITED TO, ANY AND ALL CONTROVERSIES, DISPUTES OR CLAIMS (1) ARISING UNDER, OR RELATED TO, THIS PURCHASE AGREEMENT, THE PROPERTY, THE COMMUNITY OR ANY DEALINGS BETWEEN BUYER AND SELLER; (2) ARISING BY VIRTUE OF ANY REPRESENTATIONS, PROMISES OR WARRANTIES ALLEGED TO HAVE BEEN MADE BY SELLER OR SELLER'S REPRESENTATIVE; (3) RELATING TO PERSONAL INJURY OR PROPERTY DAMAGE ALLEGED

TO HAVE BEEN SUSTAINED BY BUYER, BUYER'S CHILDREN OR OTHER OCCUPANTS OF THE PROPERTY, OR IN THE COMMUNITY; OR (4) ISSUES OF FORMATION, VALIDITY OR ENFORCEABILITY OF THIS PARAGRAPH. BUYER HAS EXECUTED THIS PURCHASE AGREEMENT ON BEHALF OF HIS OR HER CHILDREN AND OTHER OCCUPANTS OF THE PROPERTY WITH THE INTENT THAT ALL SUCH PARTIES BE BOUND HEREBY. ANY DISPUTE SHALL BE SUBMITTED TO BINDING ARBITRATION WITHIN A REASONABLE TIME AFTER SUCH DISPUTE HAS ARISEN. NOTHING HEREIN SHALL EXTEND THE TIME PERIOD BY WHICH A CLAIM OR CAUSE OF ACTION MAY BE ASSERTED UNDER THE APPLICABLE STATUTE OF LIMITATIONS OR STATUTE OF REPOSE, AND IN NO EVENT SHALL THE DISPUTE BE SUBMITTED FOR ARBITRATION AFTER THE DATE WHEN INSTITUTION OF A LEGAL OR EQUITABLE PROCEEDING BASED ON THE UNDERLYING CLAIMS IN SUCH DISPUTE WOULD BE BARRED BY THE APPLICABLE STATUTE OF LIMITATIONS OR STATUTE OF REPOSE.

B. ANY AND ALL MEDIATIONS COMMENCED BY ANY OF THE PARTIES TO THIS AGREEMENT SHALL BE FILED WITH AND ADMINISTERED BY THE AAA OR ANY SUCCESSOR THERETO IN ACCORDANCE WITH AAA'S HOME CONSTRUCTION MEDIATION PROCEDURES IN EFFECT ON THE DATE OF THE REQUEST. IF THERE ARE NO HOME CONSTRUCTION MEDIATION PROCEDURES CURRENTLY IN EFFECT, THEN THE AAA'S CONSTRUCTION INDUSTRY MEDIATION RULES IN EFFECT ON THE DATE OF SUCH REQUEST SHALL BE UTILIZED. ANY PARTY WHO WILL BE RELYING UPON AN EXPERT REPORT OR REPAIR ESTIMATE AT THE MEDIATION SHALL PROVIDE THE MEDIATOR AND THE OTHER PARTIES WITH A COPY OF THE REPORTS. IF ONE OR MORE ISSUES DIRECTLY OR INDIRECTLY RELATE TO ALLEGED DEFICIENCIES IN DESIGN, MATERIALS OR CONSTRUCTION, ALL PARTIES AND THEIR EXPERTS SHALL BE ALLOWED TO INSPECT, DOCUMENT (BY PHOTOGRAPH, VIDEOTAPE OR OTHERWISE) AND TEST THE ALLEGED DEFICIENCIES PRIOR TO MEDIATION. UNLESS MUTUALLY WAIVED IN WRITING BY THE PARTIES, SUBMISSION TO MEDIATION IS A CONDITION PRECEDENT TO EITHER PARTY TAKING FURTHER ACTION WITH REGARD TO ANY MATTER COVERED HEREUNDER.

C. IF THE DISPUTE IS NOT FULLY RESOLVED BY MEDIATION, THE DISPUTE SHALL BE SUBMITTED TO BINDING ARBITRATION AND ADMINISTERED BY THE AAA IN ACCORDANCE WITH THE AAA'S HOME CONSTRUCTION ARBITRATION RULES IN EFFECT ON THE DATE OF THE REQUEST. IF THERE ARE NO HOME CONSTRUCTION ARBITRATION RULES CURRENTLY IN EFFECT, THEN THE AAA'S CONSTRUCTION INDUSTRY ARBITRATION RULES IN EFFECT ON THE DATE OF SUCH REQUEST SHALL BE UTILIZED. ANY JUDGMENT UPON THE AWARD RENDERED BY THE ARBITRATOR MAY BE ENTERED IN AND ENFORCED BY ANY CALIFORNIA STATE COURT HAVING JURISDICTION OVER SUCH DISPUTE. IF THE CLAIMED AMOUNT EXCEEDS $250,000 OR INCLUDES A DEMAND FOR PUNITIVE DAMAGES, THE DISPUTE SHALL BE HEARD AND DETERMINED BY THREE ARBITRATORS; HOWEVER IF MUTUALLY AGREED TO BY THE PARTIES, THEN THE DISPUTE SHALL BE HEARD AND DETERMINED BY ONE ARBITRATOR. ARBITRATORS SHALL HAVE EXPERTISE IN THE AREA(S) OF DISPUTE, WHICH MAY INCLUDE LEGAL EXPERTISE IF LEGAL ISSUES ARE INVOLVED. ALL DECISIONS RESPECTING THE ARBITRABILITY OF ANY DISPUTE SHALL BE DECIDED BY THE ARBITRATOR(S). AT THE REQUEST OF ANY PARTY, THE AWARD OF THE ARBITRATOR(S) SHALL BE ACCOMPANIED BY DETAILED WRITTEN FINDINGS OF FACT AND CONCLUSIONS OF LAW. ARBITRATORS MUST BASE ALL AWARDS IN CONFORMITY WITH APPLICABLE RULES OF LAW. EXCEPT AS MAY BE REQUIRED BY LAW OR FOR CONFIRMATION OF AN AWARD, NEITHER A PARTY NOR AN ARBITRATOR MAY DISCLOSE THE EXISTENCE, CONTENT, OR RESULTS OF ANY ARBITRATION HEREUNDER WITHOUT THE PRIOR WRITTEN CONSENT OF BOTH PARTIES.

D. THE WAIVER OR INVALIDITY OF ANY PORTION OF THIS PARAGRAPH 14.3 SHALL NOT AFFECT THE VALIDITY OR ENFORCEMENT OF THE REMAINING PORTIONS OF THIS PARAGRAPH 14.3. BUYER AND SELLER FURTHER AGREE (1) THAT ANY DISPUTE INVOLVING SELLER'S AFFILIATES, DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS SHALL ALSO BE SUBJECT TO MEDIATION AND ARBITRATION AS SET FORTH HEREIN, AND SHALL NOT BE PURSUED IN A COURT OF LAW OR EQUITY; (2) THAT SELLER MAY, AT ITS SOLE ELECTION, INCLUDE SELLER'S CONTRACTORS, SUBCONTRACTORS AND SUPPLIERS, AS WELL AS ANY WARRANTY COMPANY AND INSURER AS PARTIES TO THE MEDIATION AND ARBITRATION; AND (3) THAT THE MEDIATION AND ARBITRATION WILL BE LIMITED TO THE PARTIES SPECIFIED HEREIN.

E. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, BUYER AND SELLER AGREE THAT NO FINDING OR STIPULATION OF FACT, NO CONCLUSION OF LAW AND NO ARBITRATION AWARD IN ANY OTHER ARBITRATION, JUDICIAL OR SIMILAR PROCEEDING SHALL BE GIVEN PRECLUSIVE COLLATERAL ESTOPPEL EFFECT IN ANY ARBITRATION HEREUNDER UNLESS THERE IS A MUTUALITY OF PARTIES. IN ADDITION, BUYER AND SELLER FURTHER AGREE THAT NO FINDING OR STIPULATION OF FACT, NO CONCLUSION OF LAW, AND NO ARBITRATION AWARD IN ANY ARBITRATION HEREUNDER SHALL BE GIVEN PRECLUSIVE OR COLLATERAL ESTOPPEL EFFECT IN ANY OTHER ARBITRATION, JUDICIAL, OR SIMILAR PROCEEDING UNLESS THERE IS A MUTUALITY OF PARTIES.

F. UNLESS OTHERWISE RECOVERABLE BY LAW OR STATUTE, EACH PARTY SHALL BEAR ITS OWN COSTS AND EXPENSES, INCLUDING ATTORNEYS' FEES AND PARAPROFESSIONAL

FEES, FOR ANY MEDIATION AND ARBITRATION. NOTWITHSTANDING THE FOREGOING, IF A PARTY UNSUCCESSFULLY CONTESTS THE VALIDITY OR SCOPE OF ARBITRATION IN A COURT OF LAW OR EQUITY, THE NONCONTESTING PARTY SHALL BE AWARDED REASONABLE ATTORNEYS' FEES, PARAPROFESSIONAL FEES AND EXPENSES INCURRED IN DEFENDING SUCH CONTEST, INCLUDING SUCH FEES AND COSTS ASSOCIATED WITH ANY APPELLATE PROCEEDINGS. IN ADDITION, IF A PARTY FAILS TO ABIDE BY THE TERMS OF A MEDIATION SETTLEMENT OR ARBITRATION AWARD, THE OTHER PARTY SHALL BE AWARDED REASONABLE ATTORNEYS' FEES, PARAPROFESSIONAL FEES AND EXPENSES INCURRED IN ENFORCING SUCH SETTLEMENT OR AWARD.

G. BUYER MAY OBTAIN ADDITIONAL INFORMATION CONCERNING THE RULES OF AAA BY VISITING ITS WEBSITE WWW.ADR.ORG OR BY WRITING THE AAA AT 335 MADISON AVENUE, NEW YORK, NEW YORK 10017.

H. SELLER SUPPORTS THE PRINCIPALS SET FORTH IN THE CONSUMER DUE PROCESS PROTOCOL DEVELOPED BY THE NATIONAL CONSUMER DISPUTE ADVISORY COMMITTEE AND AGREES TO THE FOLLOWING:

1) NOTWITHSTANDING THE REQUIREMENTS OF ARBITRATION STATED IN PARAGRAPHS 14.1, 14.2 AND 14.3(C) OF THIS PURCHASE AGREEMENT., BUYER SHALL HAVE THE OPTION, AFTER PURSUING MEDIATION AS PROVIDED HEREIN, TO SEEK RELIEF IN A SMALL CLAIMS COURT FOR DISPUTES OR CLAIMS WITHIN THE SCOPE OF THE COURT'S JURISDICTION IN LIEU OF PROCEEDING TO ARBITRATION. THIS DECISION DOES NOT APPLY TO ANY APPEAL FROM A DECISION BY A SMALL CLAIMS COURT.

2) SELLER AGREES TO PAY FOR ONE (1) DAY OF MEDIATION (MEDIATOR FEES PLUS ANY ADMINISTRATIVE FEES RELATING TO THE MEDIATION). ANY MEDIATOR AND ASSOCIATED ADMINISTRATIVE FEES INCURRED THEREAFTER SHALL BE SHARED EQUALLY BY THE PARTIES.

3) THE FEES FOR ANY CLAIM PURSUED VIA ARBITRATION IN AN AMOUNT OF $10,000.00 OR LESS SHALL BE APPORTIONED AS PROVIDED IN THE HOME CONSTRUCTION ARBITRATION RULES OF THE AAA OR OTHER APPLICABLE RULES.

I. NOTWITHSTANDING THE FOREGOING, IF EITHER SELLER OR BUYER SEEKS INJUNCTIVE RELIEF, AND NOT MONETARY DAMAGES, FROM A COURT BECAUSE IRREPARABLE DAMAGE OR HARM WOULD OTHERWISE BE SUFFERED BY EITHER PARTY BEFORE MEDIATION OR ARBITRATION COULD BE CONDUCTED, SUCH ACTIONS SHALL NOT BE INTERPRETED TO INDICATE THAT EITHER PARTY HAS WAIVED THE RIGHT TO MEDIATE OR ARBITRATE. THE RIGHT TO MEDIATE OR ARBITRATE SHOULD ALSO NOT BE CONSIDERED WAIVED BY THE FILING OF A COUNTERCLAIM BY EITHER PARTY ONCE A CLAIM FOR INJUNCTIVE RELIEF HAS BEEN FILED WITH A COURT.

J. BUYER AND SELLER AGREE THAT THE PARTIES MAY BRING CLAIMS AGAINST THE OTHER ONLY ON AN INDIVIDUAL BASIS AND NOT AS A MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE ACTION OR COLLECTIVE PROCEEDING. THE ARBITRATOR(S) MAY NOT CONSOLIDATE OR JOIN CLAIMS REGARDING MORE THAN ONE PROPERTY AND MAY NOT OTHERWISE PRESIDE OVER ANY FORM OF A CONSOLIDATED, REPRESENTATIVE, OR CLASS PROCEEDING. ALSO, THE ARBITRATOR(S) MAY AWARD RELIEF (INCLUDING MONETARY, INJUNCTIVE, AND DECLARATORY RELIEF) ONLY IN FAVOR OF THE INDIVIDUAL PARTY SEEKING RELIEF AND ONLY TO THE EXTENT NECESSARY TO PROVIDE RELIEF NECESSITATED BY THAT PARTY'S INDIVIDUAL CLAIM(S). ANY RELIEF AWARDED CANNOT BE AWARDED ON CLASS-WIDE OR MASS-PARTY BASIS OR OTHERWISE AFFECT PARTIES WHO ARE NOT A PARTY TO THE ARBITRATION. NOTHING IN THE FOREGOING PREVENTS SELLER FROM EXERCISING ITS RIGHT TO INCLUDE IN THE MEDIATION AND ARBITRATION THOSE PERSONS OR ENTITIES REFERRED TO IN PARAGRAPH 14.3.D ABOVE.

K. NOTWITHSTANDING ANY OTHER PROVISION OF THIS PARAGRAPH 14, AS AUTHORIZED BY THE CALIFORNIA ARBITRATION ACT AND *Cable Connection, Inc. v. Directv, Inc.* (2008) 44 Cal.4th 1334, THE ARBITRATOR(S) SHALL NOT HAVE THE POWER TO COMMIT ERRORS OF LAW OR LEGAL REASONING, AND THE AWARD MAY BE VACATED OR CORRECTED ON APPEAL TO A CALIFORNIA COURT OF COMPETENT JURISDICTION FOR ANY SUCH ERROR.

NOTICE: BY INITIALING IN THE SPACE BELOW, SELLER AND BUYER ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THIS ARBITRATION OF DISPUTES PROVISION, DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND ARE GIVING UP ANY RIGHTS EACH MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED BY A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW EACH IS GIVING UP THEIR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS SUCH RIGHTS ARE SPECIFICALLY INCLUDED IN THIS ARBITRATION OF

DISPUTES PROVISION. IF EITHER PARTY REFUSES TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, EACH MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

BOTH PARTIES HAVE READ AND UNDERSTAND THE ARBITRATION PROVISIONS AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE ARBITRATION OF DISPUTES PROVISIONS TO NEUTRAL ARBITRATION.

DS AB DS MB DS CB

BUYER'S INITIALS **SELLER'S INITIALS**

15. **GENERAL**.

A. This Purchase Agreement may not be assigned by BUYER.

B. Time is of the essence in respect of all of BUYER'S obligations.

C. Notices to BUYER and SELLER may be served personally, telephonically, by facsimile, by e-mail or by first-class or certified mail, at their respective addresses, or, if BUYER has occupied the Property, at such latter address for BUYER, and if by first-class mail, e-mail or facsimile, notice shall be treated as served and effective twenty-four (24) hours after transmission or deposit in the mail. In the event BUYER or SELLER utilize e-mail or facsimile transmitted signed documents, BUYER and SELLER hereby agree to accept, and hereby agree to instruct Escrow Holder to rely upon such documents as if they bore original signatures. BUYER and SELLER hereby acknowledge and agree to use their best efforts to provide the other party prior to Close of Escrow, with such documents bearing the original signatures. BUYER and SELLER further acknowledge and agree that documents with non-original signatures will not be accepted for recording by the County Recorder.

D. Regardless of the physical characteristics of the Property, no guarantees are made regarding the permanence of all or any portion of the present view, land use or development of this or surrounding real property.

E. No modification or amendment shall be effective unless in writing and signed by BUYER and SELLER.

F. BUYER is prohibited from recording this Purchase Agreement or any memorandum hereof, and upon attempted recordation shall be in default hereunder and this Purchase Agreement shall become null and void and all rights of BUYER hereunder shall thereupon cease.

G. Buyer hereby waives any non-statutory implied warranty of quality or fitness of construction.

H. Waiver of one provision hereof shall not be deemed continuing nor a waiver of any other provision.

16. **BUYER ACKNOWLEDGES**. (1) BUYER has read and understands all the terms of this Purchase Agreement, and by execution of this Purchase Agreement, has received, read and understands the General Disclosures and Specific Disclosures, both of which are incorporated into this Purchase Agreement by this reference; (2) No statements, representations, promises, or assurances have been made to BUYER by SELLER or SELLER'S sales associate(s) regarding this purchase not contained within this Purchase Agreement and other documents supplied by SELLER related directly to this sale, including, but not limited to those relating to the current or future value of the Property or the prices or terms of other sales made by SELLER at any time in this or any other of SELLER'S Communities. All prices, terms, specifications, product upgrades or any other form of concession or BUYER inducement, whether related to the current Phase or any proposed or existing Phase(s) of the Community, are subject to change without notice at the sole discretion of SELLER; (3) BUYER understands no sales associate, employee or agent of SELLER has the authority to make any promise or agreement on behalf of SELLER not contained in this Purchase Agreement and other documents supplied by SELLER related directly to this sale, or to modify or alter any of the terms of this Purchase Agreement, and (4) this Purchase Agreement contains the entire agreement between the parties.

17. **BINDING AGREEMENT**. Execution of this Purchase Agreement by BUYER alone shall constitute an offer to purchase. Upon acceptance and execution by an authorized officer of SELLER, this Purchase Agreement shall become a binding contract by and between both BUYER and SELLER. BUYER acknowledges SELLER is a real estate broker licensed by the State of California and is entering into this Purchase Agreement on its own behalf as a principal.

18. **DIFFERENCE IN CONDITIONS**. In the event of BUYER'S discovery of different facts during the pendency of this purchase transaction than those which BUYER believed to be true at the time of entering into this Purchase Agreement, BUYER'S decision not to notify SELLER and to close Escrow shall be deemed to be BUYER'S decision to accept such facts, and shall constitute a waiver of any claim, cost, demand, or action against SELLER with regard to such facts.

19. **COMMUNITY DOCUMENTS**. BUYER'S signature on this Purchase Agreement constitutes BUYER'S acknowledgment that BUYER has received the following:

A. The Covenants, Conditions and Restrictions and any amendments thereto showing the date or recordation thereof;

B. The Articles of Incorporation and the Bylaws of the Homeowners Association, if applicable;

C. A current budget of the Homeowners Association, if applicable;

D. A copy of the Final Subdivision Public Report from the California Department of Real Estate, applicable to the Community;

E. A copy of Notice of SELLER's Procedures for Construction Claims Pursuant to California Civil Code Section 912(f);

F. A copy of California Civil Code Section 895, et seq. (SB 800 - Construction Claims Statute)

G. This Purchase Agreement; and

Other: ____

20. **UPGRADES AND OPTIONAL ITEMS**. BUYER hereby acknowledges and agrees that upgrades or optional items which BUYER orders to be constructed or installed in the Property shall be subject to all of the terms and provisions of this Purchase Agreement. Buyer acknowledges BUYER'S selection of upgrades and options must be made within fifteen (15) days of the date of this Purchase Agreement, or such later date as SELLER may designate.

21. **CONSTRUCTION DEFECT CLAIMS RESOLUTION PROCEDURE**.

A. **NOTICE OF CONSTRUCTION CLAIMS STATUTE**. California Civil Code Section 895 et seq., as hereafter amended ("Construction Claims Statute"), delineates standards for how various components of the Property should be constructed and function, limits the time frames for bringing various claims against SELLER to anywhere from one (1) year to ten (10) years (as listed in the Construction Claims Statute) from the Close of Escrow for the Property, imposes an obligation on BUYER to follow the SELLER'S maintenance recommendations and schedules, or other applicable maintenance guidelines, and establishes a non-adversarial claims resolution procedure that must be followed by BUYER before BUYER can initiate an adversarial claim and proceed to alternate dispute resolution, as described in Paragraph 14.3 above. A copy of the Construction Claims Statute is attached as Exhibit "A" to this Purchase Agreement. BY INITIALING BELOW, BUYER ACKNOWLEDGES THAT SELLER HAS PROVIDED BUYER WITH A COPY OF THE CONSTRUCTION CLAIMS STATUTE AND THAT SELLER HAS ADVISED BUYER THAT THE CONSTRUCTION CLAIMS STATUTE AFFECTS BUYER'S LEGAL RIGHTS. BUYER IS ADVISED TO READ THE STATUTE CAREFULLY AND SEEK LEGAL ADVICE IF BUYER HAS ANY QUESTIONS REGARDING ITS AFFECT ON BUYER'S LEGAL RIGHTS.

DS AB DS MB DS CB

BUYER'S INITIALS **SELLER'S INITIALS**

B. **ELECTION TO USE SELLER'S NON-ADVERSARIAL CONTRACTUAL PROCEDURES FOR HANDLING OF CONSTRUCTION CLAIMS**. The Construction Claims Statute permits SELLER to elect to use alternate contractual non-adversarial claims handling procedures for construction defect disputes in lieu of the statutory procedures contained in Sections 910 through 938 of the Construction Claims Statute. By initialing below, BUYER acknowledges that SELLER has elected to use the non-adversarial process described in Paragraph 21.C of this Purchase Agreement in lieu of the non-adversarial process set forth in the Construction Claims Statute. BUYER also acknowledges that BUYER is aware that a copy of SELLER'S non-adversarial claims procedures contained in Paragraph 21.C will be recorded on the title to the Property to impart notice upon and bind BUYER'S successors in interest to said claims procedures.

DS AB DS MB DS CB

BUYER'S INITIALS **SELLER'S INITIALS**

C. **NOTICE AND OPPORTUNITY TO CURE CLAIMED DEFECTS**. Prior to the commencement of any legal proceeding by BUYER against SELLER based upon a claim for defects in the design of construction or the Property, or any improvements thereon, BUYER must first comply with the provisions of this Paragraph. If at any time during the ten (10) years after the Close of Escrow, as such period may be extended by any applicable tolling statute or provision, or any shorter period as provided by applicable law, BUYER or BUYER'S successors or assigns (collectively "Owner"), believes SELLER has violated any of the standards set forth the Construction Claims Statute ("Claimed Defect"), which such Owner feels may be the responsibility of SELLER, such Owner shall promptly notify SELLER'S agent for service of construction defect claims on file with the Secretary of State, which is currently Lennar Corporation, 5505 Blue Lagoon Drive, Miami, FL 33126, attention General Counsel, with a copy to SELLER at 16465 Via Esprillo Suite 150, San Diego California, 92127. Such notice shall be deemed a notice of intention to commence a legal proceeding and shall include: (a) a description of the Claimed Defect, (b) the date upon which the Claimed Defect was first discovered, and (c) dates and times when Owner or Owner's agent will be available during ordinary business hours for service calls or inspections by SELLER. SELLER shall, in its sole discretion, be entitled to inspect the Property regarding the reported Claimed Defect and, within its sole discretion, be entitled to cure such Claimed Defect. Nothing contained in this Paragraph 21 shall obligate SELLER to perform any inspection or repair, nor shall this Paragraph be deemed to increase SELLER'S legal obligations to Owner. Owner's written notice delivered to SELLER shall be a condition precedent to Owner's right to institute any legal proceeding and to proceed to alternate dispute resolution as set forth in Paragraph 14.3 above, and Owner shall not pursue any other remedies available to it, at law or otherwise, including without limitation the initiation of any legal proceeding or action, until SELLER has had the reasonable opportunity to inspect and cure the Claimed Defect. During the term of any written Limited Warranty provided to the original BUYER of the Property by SELLER, any conflict between the provisions of this Paragraph and the Limited Warranty shall be resolved in favor of the Limited Warranty. SELLER shall not be liable for any general, special or consequential damage, cost, diminution in value or other loss which Owner may suffer as a result of any Claimed Defect in the Property, which might have been avoided had Owner given SELLER the timely notice and opportunity to cure as described above. Except as otherwise provided in the written Limited Warranty, if any, provided BUYER, nothing contained herein shall establish any contractual duty or obligation on the part of SELLER to repair, replace or cure any Claimed Defect. If Owner sells or otherwise transfers ownership of the Property to any other person during the effective period of this Paragraph, Owner covenants and agrees to give such person written notice of these procedures by personal delivery. Owner's continuing obligation under this covenant shall be binding upon Owner and shall survive the Close of Escrow.

D. **RECEIPT OF PURCHASE DOCUMENTS**. BUYER will be provided with certain documents through Escrow in conjunction with the purchase of the Property, including maintenance recommendations from the SELLER, maintenance recommendations for manufactured products or appliances included with the Property, claim forms, and other documentation relating to the Construction Claims Statute. BUYER is required by the Construction Claims Statute to retain these documents and provide copies of such documents to BUYER'S successor in interest upon the sale or transfer of the Property.

E. **OBLIGATION TO FOLLOW MAINTENANCE RECOMMENDATIONS**. All Owners are obligated by Section 907 of the Construction Claims Statute to follow SELLER'S maintenance recommendations and schedules, including the maintenance recommendations and schedules for manufactured products and appliances provided with the Property, as well as all commonly accepted maintenance practices (collectively, "Maintenance Recommendations"). Per Section 945.5 of the Construction Claims Statute, failure to follow the Maintenance Recommendations may reduce or preclude BUYER'S right to recover damages relating to such BUYER'S Property, which could have been prevented or mitigated had the Maintenance Recommendations been followed.

22. **MEGAN'S LAW DISCLOSURE / DATABASE REGARDING REGISTERED SEX OFFENDERS**:

Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residences and ZIP code in which he or she resides.

Prior to the purchase of a Home in the Community, Buyer may research the database to determine whether there are sex offenders in the area. Seller makes no representations, warranties, or guarantees regarding the presence or absence of registered sex offenders within the Community or in the surrounding area. Seller has no obligation or duty to investigate existing residents or buyers to determine whether they are sex offenders. Buyer is solely responsible for making his or her own investigation. For further information, please contact Buyer's local law enforcement agency. Most law enforcement agencies have special stations to view the Megan's Law database.

23. **NOTICE REGARDING GAS AND HAZARDOUS LIQUID TRANSMISSION PIPELINES**. This notice is being provided simply to inform you that information about the general location of gas and hazardous liquid transmission pipelines is available to the public via the National Pipeline Mapping System (NPMS) Internet Web site maintained by the United States Department of Transportation at http://www.npms.phmsa.dot.gov/. To seek further information about possible transmission pipelines near the property, you may contact your local gas utility or other pipeline operators in the area. Contact information for pipeline operators is searchable by ZIP Code and county on the NPMS Internet Web site.

24. **SEVERABILITY**. **If any term, condition or provision of this Purchase Agreement is declared illegal or invalid for any reason by a court of competent jurisdiction, or arbitrator, the remaining terms, conditions and provisions shall, nevertheless, remain in full force and effect.**

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Community: LUNA @ Sunbow **Phase:** 5 **Homesite:** 0104 **Tract:** MAP NO. 16553

THIS DOCUMENT HAS IMPORTANT LEGAL CONSEQUENCES AND SHOULD BE READ THOROUGHLY PRIOR TO SIGNING. BUYER AFFIRMS NO SALES ASSOCIATE, EMPLOYEE OR AGENT OF SELLER HAS MADE ANY PROMISE OR REPRESENTATION OF WHATSOEVER NATURE NOT SET FORTH IN THIS PURCHASE AGREEMENT. IF YOU HAVE ANY QUESTIONS ABOUT YOUR RIGHTS OR OBLIGATIONS UNDER THIS DOCUMENT YOU MAY WISH TO CONSULT AN ATTORNEY. IF PRIOR TO THE CLOSE OF ESCROW, SELLER REASONABLY DETERMINES THAT CERTAIN CHANGES OR REVISIONS MUST BE MADE TO THE COMMUNITY DOCUMENTS OR TO THE SALE DOCUMENTS FOR THE COMMUNITY, OR THAT CHANGES ARE NECESSARY IN THE PLANS FOR DEVELOPMENT OF THE COMMUNITY, SELLER SHALL GIVE BUYER WRITTEN NOTICE OF SUCH CHANGES. UPON RECEIPT OF SUCH NOTICE, BUYER SHALL HAVE TWO (2) CALENDAR DAYS WITHIN WHICH TO REVIEW SUCH CHANGES AND, IF BUYER DISAPPROVES OF SUCH CHANGES, TO GIVE BUYER'S WRITTEN NOTICE THEREOF TO SELLER AND ESCROW HOLDER. BUYER HEREBY AGREES THAT, IN THE EVENT BUYER DISAPPROVES OF SUCH CHANGES, BUYER'S SOLE REMEDY SHALL BE TO TERMINATE THIS PURCHASE AGREEMENT AND TO REQUEST CANCELLATION OF ESCROW. BUYER SHALL RECEIVE A FULL REFUND OF ALL AMOUNTS DEPOSITED BY BUYER FOR THE PURCHASE OF THE PROPERTY. ANY ESCROW CANCELLATION FEES INCURRED PURSUANT TO THIS PARAGRAPH SHALL BE THE EXPENSE OF SELLER.

UNLESS A COOPERATING BROKER ADDENDUM IS ATTACHED HERETO AND SIGNED BY BOTH SELLER AND BUYER, BUYER REPRESENTS TO SELLER THAT THE ONLY SALES AGENT(S) WITH WHOM THE BUYER HAS DEALT IN CONNECTION HEREWITH ARE THE "ON PREMISES" SALES AGENT(S) LOCATED AT THE SELLER'S SALES OFFICE, AND SELLER AGREES TO PAY THE COMMISSION EARNED BY SUCH SALES AGENT(S), IF ANY, PURSUANT TO SEPARATE AGREEMENT. BUYER AGREES TO INDEMNIFY AND HOLD SELLER HARMLESS FROM AND AGAINST ANY AND ALL LOSS AND LIABILITY RESULTING FROM ANY BREACH OF THE FOREGOING. THIS SECTION SHALL SURVIVE THE CLOSING AND THE DELIVERY OF THE DEED.

By providing your telephone and fax numbers, you hereby consent to receiving telephonic and fax communications, including advertisements, made or sent by or on behalf of SELLER and/or affiliates.

BUYER:

Date 3/5/2024

DocuSigned by:
Ginamarie Black
AD3857CB46DD4C8...

BUYER - Ginamarie Black

Date 3/5/2024

DocuSigned by:
Mark Black
BB4F66B9607849C...

BUYER - Mark Black

Date

BUYER -

Date

BUYER -

1235 Neptune Avenue
Address

Encinitas 92024
City Zip

Telephone Number (work)

Telephone Number (home)

(619) 414-9851
Fax Number Alternate Number

ginamariegblack@gmail.com
E-mail Address

ACCEPTANCE BY SELLER:

Lennar Homes of California, LLC, a California limited liability company

DocuSigned by:
By: Cody Brown
5ADE929552E44DE...

Title: Authorized Representative Cody Brown

Date Signed by Seller: 3/6/2024

(Signature is Acceptance of Purchase Agreement)

BROKER:

LENNAR SALES CORP., Broker
License Number.: 01252753
Responsible Broker: Joanna Duke
Salesperson/Broker Associate Name: Cody Brown
Salesperson/Broker Associate DRE License No.: 01997887

RECEIPT FOR DEPOSIT ONLY:

Date: 3/6/2024

Salesperson/Broker Associate Signature: DocuSigned by: Cody Brown 5ADE929552E44DE...
Cody Brown

GENERAL DISCLOSURES:

A. **SELLER'S RIGHT TO CHANGE**. BUYER acknowledges the home being purchased is not built to the precise specifications or design of any model home displayed to or visited by BUYER or to the specifications or plans depicted in any sales materials, and floor plans may be opposite ("flipped") mirror images of the model home displayed and Buyer accepts the floor plan for the home purchased. SELLER is not acting as a contractor for BUYER and is not building the home to BUYER'S specifications. Any model home display does not constitute a covenant by SELLER to precisely duplicate such model with its production homes. SELLER reserves the right from time to time, without notice to BUYER, to make changes, alterations or substitutions to the home plans, specifications, construction materials or other integrals of the home as SELLER deems reasonable, providing such changes or alterations are approved by appropriate public agencies. Such right of change or alteration shall also apply to common areas should they be a part of the Community. None of the furnishings, decorating, wall treatments, fixtures, floor coverings, appliances, landscaping, walk-ways, patio or driveway treatments within or without the model home or depicted in the sales materials are included with the home purchased unless identified in writing as standard items or included in the Purchase Agreement. Model interior paint colors are chosen by the model decorators and are not necessarily what will be used in the Property.

B. **USE OF SUBCONTRACTORS**. SELLER performs its construction through subcontractors and does not employ construction trades or workers. SELLER is not permitted to change its subcontracts without approval of the subcontractor, and therefore, BUYER may not make interior or exterior construction changes or alterations not otherwise offered BUYER at point of sale.

C. **INTERIOR AND EXTERIOR COLORS**. BUYER has confirmed the interior and exterior colors to be used in BUYER'S home. BUYER should not assume that BUYER'S home will be painted any shade of white shown in the model homes.

D. **CHANGES IN PRICE, PRODUCT, DEVELOPMENT PLAN AND MARKETING METHODS**. BUYER acknowledges that SELLER may, in its sole discretion, change its pricing, product, development plan and marketing methods. Without limitation, SELLER may elect to sell other homes in this phase of the Community, or in future phases, under terms and conditions which are more favorable than those stated in this Purchase Agreement, including, without limitation, more favorable terms and conditions resulting from the sale of homesites in bulk to another builder or by auction (with or without reserve) to members of the general public. SELLER may elect not to build homes on each homesite of this phase or future phases of the Community, or may elect to build a different type or size of home on a smaller or larger homesite, or may use different construction methods to build such homes. SELLER may further elect to build homes of the same type as the Property in this or future phases, but to reduce the sales price for such homes, or to improve such homes with more or less expensive features and amenities. If SELLER owns or later acquires land adjacent to the Community, SELLER may elect to develop such land with a product type which is different from and less expensive than the Property. Any of the foregoing events may adversely affect the value of the Property. Nothing in this Purchase Agreement shall be interpreted as an express or implied warranty or representation that SELLER will refrain from any pricing program, product design program, development strategy or marketing plan which in any manner adversely affects the value of the Property. BUYER acknowledges SELLER'S right to offer price reductions, financing incentives, reduced interest rates, decorator allowances, additional features and other similar incentives (collectively, "Incentives") to future buyers in the Community (or any other community developed by SELLER) without any obligation to offer any comparable Incentives to BUYER. BUYER further acknowledges that BUYER has negotiated its sales price for a particular Property within the Community and BUYER is fully satisfied with such price and the Incentives received in connection with the negotiation of such price.

E. **LAND USE**. Each homesite within the Community has unique characteristics, one of which is location. Each homesite may currently enjoy a particular view, but that view is not guaranteed to be permanent. Future development of the Community or other real property within or adjacent to the Community and the growth of trees and other vegetation in the general area of the Property may change, obstruct, impair or otherwise affect the view from the Homesite at any time, or the use of the Property. BUYER acknowledges that as development continues within and without the Community, BUYER may be inconvenienced by road improvements, dust, noise and other development activities and that SELLER has no control or responsibility over the uses of adjacent real properties or road improvements or the construction timing or changes that may occur with respect thereto.

F. **INFORMATIVE DOCUMENTS**. Geology reports, soils reports, precise grading plans, irrigation plans, final maps, environmental documents and other information subject to review and approval by governmental agencies in connection with the Community are available for BUYER'S review at the office of the appropriate governmental agency. BUYER is encouraged to utilize such information and consult in connection with any improvements to the homesite.

G. **SQUARE FOOTAGES AND GARAGE SIZES**. Square footages quoted in the brochures, price lists, and other informational material for the homes are approximate, and are not determinative of the sales price. BUYER understands the garage will be of standard size and may not accommodate certain utility vehicles.

H. **BOUNDARY LINES**. The grading of the homesites in this Community may result in the homesite boundary line not being located at either the top or the bottom of the slope. The homesite boundary lines are determined by the tract map, not by the fence location, grading or topography.

I. **SLOPES**. Unless otherwise provided in the Covenants, Conditions and Restriction or other disclosure document, planting and maintenance of all slopes within the boundaries of BUYER'S Homesite will be BUYER'S responsibility.

J. **DRAINAGE**. **Each homesite within the Community will be engineered and graded to local governmental standards to assure proper drainage of rain and irrigation water. BUYER understands that BUYER'S alteration of or failure to maintain the Homesite as delivered by SELLER may cause damage to the Homesite and any landscaping or hardscape, and cause damage to the interior or exterior of the home, and to neighboring properties. If BUYER'S alteration to the drainage of the Homesite causes damage to neighboring properties or common areas, Buyer will be**

liable for all such damage. BUYER accepts responsibility for maintaining the integrity of the grading and drainage of the Homesite and holds SELLER free and harmless from BUYER'S alteration or changes to the grading or drainage. SELLER recommends use of a state-licensed civil engineer or landscape architect for landscape plans and installation.

K. **UTILITY EASEMENTS**. Information concerning easements for utilities, drainage, rights of way and other purposes are shown on the title report and subdivision map recorded in the County Recorder's office. Utility companies typically locate electrical facilities, telephone, street lights and cable TV boxes in utility easement areas. These areas typically run parallel to streets and driveways, although individual conditions may necessitate their placement in other areas. The utility companies control the location of these facilities. BUYER should contact the utility companies for exact locations affecting a particular homesite.

L. **PROPOSITION 65**. Pursuant to State of California law (Proposition 65), SELLER hereby notifies BUYER that certain substances known to cause cancer, birth defects or reproductive harm may have been used in the construction of the home and improvements located in, on or about the Community of which the Property is a part. These substances include, but are not limited to, the following: paint, oil, gasoline, plywood and particle board, metals and organic toxins from piping systems, wood preservatives in decks and patios, and emissions from heavy duty construction equipment. Detectable amounts of some or all of such substances may be present in the home and surrounding real property.

M. **MAILBOXES**. Mailbox locations are controlled by the United States Postal Service and are subject to change.

N. **INSURANCE COVERAGE**. BUYER acknowledges there may be a master fire and liability insurance policy covering the Property, and, if so, the premium on same will be included in the monthly installments of assessments paid by BUYER to the Homeowners Association. The master fire and liability policy does not insure against loss or damage to BUYER'S personal property nor BUYER'S personal liability for injuries sustained within BUYER'S Property.

O. **RADON**. The aging process of the soil and other elements created by nature, as well as building materials developed by man, many times create unwanted and undesired gases and other contaminates in homes, both new and used. Also, since energy conservation has become a concern, the State of California Uniform Building Code, specifically the energy standards, has created tighter homes which trap these unwanted gases in different degrees depending on how each person lives within their home. To date, measurements of such unwanted gasses (such as radon) are reported as parts of the air they occupy. In most cases the measurements are translated to "parts per millionth" or "parts per billionth". Since the quality of air we breathe can affect our health, we recommend frequent airings of your home by simply opening your windows to introduce air uncontaminated with such gases. Other air transfer methods are also available and helpful such as circulating systems using outside air intake.

P. **WATER HEATER STRAPPING**. Pursuant to California Health & Safety Code Section 19211, SELLER hereby certifies that all water heaters are installed in accordance with the above-referenced Health & Safety Code, and are strapped to resist falling or horizontal displacement due to earthquake motion.

Q. **FEDERAL WITHHOLDING TAX**. The Foreign Investment in Real Property Tax Act ("FIRPTA"), Internal Revenue Code Section 1445, requires every BUYER of U.S. real property to deduct and withhold from a SELLER'S proceeds ten percent (10%) of the sales price unless an exemption applies. One exemption, which excuses the requirement to withhold, is the providing by a SELLER to a BUYER of an affidavit under penalty of perjury stating that SELLER is not a "foreign person." In this regard, at Close of Escrow, SELLER agrees to furnish BUYER with such an affidavit. This affidavit will also serve as an exemption for purposes of California Revenue and Taxation Code Section 18805 which would otherwise also require BUYER to deduct and withhold an additional tax equal to one-third of the amount required to be withheld under Section 1445.

R. **CALIFORNIA WITHHOLDING TAX**. California Revenue and Taxation Code Sections 18805 and 26131 require a BUYER of real property to withhold California income taxes from escrow funds under certain circumstances. SELLER hereby warrants and represents to BUYER and Escrow Holder that BUYER is NOT required to withhold taxes in connection with this transaction since all the conditions that are necessary for these Codes to be applicable have not been met. However, prior to Close of Escrow, SELLER shall deposit into Escrow, SELLER'S Affidavit of Non-Resident Status and Escrow Holder shall deliver a copy of same to BUYER prior to Close of Escrow.

S. **PRELIMINARY CHANGE OF OWNERSHIP STATEMENT**. In accordance with California Revenue and Taxation Code Sections 480.3 and 480.4, effective July 1, 1985, all deeds and other documents, when presented for recordation, that reflect a change of ownership must include a Preliminary Change of Ownership Report ("Report"). Said Report is to be furnished to Escrow Holder by BUYER prior to the Close of Escrow and attached to required documents for delivery to the County Recorder. Should said Report not be submitted to Escrow Holder for submission with the documents as called for or should said form be rejected by the County Recorder for any reason whatsoever (i.e., missing information), Escrow Holder shall charge BUYER and pay the County Recorder a service charge of Twenty Dollars ($20.00) as required by said governmental agency. Escrow Holder is not to be further concerned with said Report and/or the provisions of this Paragraph. Buyer understands Buyer is responsible to inform the Assessor's office of all upgrades added to the home, including options and flooring via the Preliminary Change of Ownership form.

3/6/2024 Date

EXHIBIT "A"

TO THE PURCHASE AGREEMENT AND DEPOSIT RECEIPT AND ESCROW INSTRUCTIONS

CONSTRUCTION CLAIMS STATUTE AND ACKNOWLEDGMENT OF RECEIPT: BY INITIALING BELOW, BUYER ACKNOWLEDGES THAT SELLER PROVIDED A COPY OF THE CONSTRUCTION CLAIMS STATUTE TO BUYER WITH THE ORIGINAL SALES DOCUMENTATION FOR THE PROPERTY.

DS CMB	DS MB	DS CB
BUYER'S INITIALS	BUYER'S INITIALS	SELLER'S INITIALS

CONSTRUCTION CLAIMS STATUTE

[EXCERPT FROM CALIFORNIA CIVIL CODE]

TITLE 7.

REQUIREMENTS FOR ACTIONS FOR CONSTRUCTION DEFECTS

CHAPTER 1.
DEFINITIONS

895. (a) "Structure" means any residential dwelling, other building, or improvement located upon a lot or within a common area.

(b) "Designed moisture barrier" means an installed moisture barrier specified in the plans and specifications, contract documents, or manufacturer's recommendations.

(c) "Actual moisture barrier" means any component or material, actually installed, that serves to any degree as a barrier against moisture, whether or not intended as a barrier against moisture.

(d) "Unintended water" means water that passes beyond, around, or through a component or the material that is designed to prevent that passage.

(e) "Close of escrow" means the date of the close of escrow between the builder and the original homeowner. With respect to claims by an association, as defined in Section 4080, "close of escrow" means the date of substantial completion, as defined in Section 337.15 of the Code of Civil Procedure, or the date the builder relinquishes control over the association's ability to decide whether to initiate a claim under this title, whichever is later.

(f) "Claimant" or "homeowner" includes the individual owners of single family homes, individual unit owners of attached dwellings and, in the case of a common interest development, any association as defined in Section 4080.

CHAPTER 2.
ACTIONABLE DEFECTS

896. In any action seeking recovery of damages arising out of, or related to deficiencies in, the residential construction, design, specifications, surveying, planning, supervision, testing, or observation of construction, a builder, and to the extent set forth in Chapter 4 (commencing with Section 910), a general contractor, a subcontractor, material supplier, individual product manufacturer, or design professional, shall, except as specifically set forth in this title, be liable for, and the claimant's claims or causes of action shall be limited to violation of, the following standards, except as specifically set forth in this title. This title applies to original construction intended to be sold as an individual dwelling unit. As to condominium conversions, this title does not apply to or does not supersede any other statutory or common law.

(a) With respect to water issues:

(1) A door shall not allow unintended water to pass beyond, around, or through the door or its designed or actual moisture barriers, if any.

(2) Windows, patio doors, deck doors, and their systems shall not allow water to pass beyond, around, or through the window, patio door, or deck door or its designed or actual moisture barriers, including, without limitation, internal barriers within the systems themselves. For purposes of this paragraph, "systems" include, without limitation, windows, window assemblies, framing, substrate, flashings, and trim, if any.

(3) Windows, patio doors, deck doors, and their systems shall not allow excessive condensation to enter the structure and cause damage to another component. For purposes of this paragraph, "systems" include, without limitation, windows, window assemblies, framing, substrate, flashings, and trim, if any.

(4) Roofs, roofing systems, chimney caps, and ventilation components shall not allow water to enter the structure or to pass beyond, around, or through the designed or actual moisture barriers, including, without limitation, internal barriers located within the systems themselves. For purposes of this paragraph, "systems" include, without limitation, framing, substrate, and sheathing, if any.

(5) Decks, deck systems, balconies, balcony systems, exterior stairs, and stair systems shall not allow water to pass into the adjacent structure. For purposes of this paragraph, "systems" include, without limitation, framing, substrate, flashing, and sheathing, if any.

(6) Decks, deck systems, balconies, balcony systems, exterior stairs, and stair systems shall not allow unintended water to pass within the systems themselves and cause damage to the systems. For purposes of this paragraph, "systems" include, without limitation, framing, substrate, flashing, and sheathing, if any.

(7) Foundation systems and slabs shall not allow water or vapor to enter into the structure so as to cause damage to another building component.

(8) Foundation systems and slabs shall not allow water or vapor to enter into the structure so as to limit the installation of the type of flooring materials typically used for the particular application.

(9) Hardscape, including paths and patios, irrigation systems, landscaping systems, and drainage systems, that are installed as part of the original construction, shall not be installed in such a way as to cause water or soil erosion to enter into or come in contact with the structure so as to cause damage to another building component.

(10) Stucco, exterior siding, exterior walls, including, without limitation, exterior framing, and other exterior wall finishes and fixtures and the systems of those components and fixtures, including, but not limited to, pot shelves, horizontal surfaces, columns, and plant-ons, shall be installed in such a way so as not to allow unintended water to pass into the structure or to pass beyond, around, or through the designed or actual moisture barriers of the system, including any internal barriers located within the system itself. For purposes of this paragraph, "systems" include, without limitation, framing, substrate, flashings, trim, wall assemblies, and internal wall cavities, if any.

(11) Stucco, exterior siding, and exterior walls shall not allow excessive condensation to enter the structure and cause damage to another component. For purposes of this paragraph, "systems" include, without limitation, framing, substrate, flashings, trim, wall assemblies, and internal wall cavities, if any.

(12) Retaining and site walls and their associated drainage systems shall not allow unintended water to pass beyond, around, or through its designed or actual moisture barriers including, without limitation, any internal barriers, so as to cause damage. This standard does not apply to those portions of any wall or drainage system that are designed to have water flow beyond, around, or through them.

(13) Retaining walls and site walls, and their associated drainage systems, shall only allow water to flow beyond, around, or through the areas designated by design.

(14) The lines and components of the plumbing system, sewer system, and utility systems shall not leak.

(15) Plumbing lines, sewer lines, and utility lines shall not corrode so as to impede the useful life of the systems.

(16) Sewer systems shall be installed in such a way as to allow the designated amount of sewage to flow through the system.

(17) Showers, baths, and related waterproofing systems shall not leak water into the interior of walls, flooring systems, or the interior of other components.

(18) The waterproofing system behind or under ceramic tile and tile countertops shall not allow water into the interior of walls, flooring systems, or other components so as to cause damage. Ceramic tile systems shall be designed and installed so as to deflect intended water to the waterproofing system.

(b) With respect to structural issues:

(1) Foundations, load bearing components, and slabs, shall not contain significant cracks or significant vertical displacement.

(2) Foundations, load bearing components, and slabs shall not cause the structure, in whole or in part, to be structurally unsafe.

(3) Foundations, load bearing components, and slabs, and underlying soils shall be constructed so as to materially comply with the design criteria set by applicable government building codes, regulations, and ordinances for chemical deterioration or corrosion resistance in effect at the time of original construction.

(4) A structure shall be constructed so as to materially comply with the design criteria for earthquake and wind load resistance, as set forth in the applicable government building codes, regulations, and ordinances in effect at the time of original construction.

(c) With respect to soil issues:

(1) Soils and engineered retaining walls shall not cause, in whole or in part, damage to the structure built upon the soil or engineered retaining wall.

(2) Soils and engineered retaining walls shall not cause, in whole or in part, the structure to be structurally unsafe.

(3) Soils shall not cause, in whole or in part, the land upon which no structure is built to become unusable for the purpose represented at the time of original sale by the builder or for the purpose for which that land is commonly used.

(d) With respect to fire protection issues:

(1) A structure shall be constructed so as to materially comply with the design criteria of the applicable government building codes, regulations, and ordinances for fire protection of the occupants in effect at the time of the original construction.

(2) Fireplaces, chimneys, chimney structures, and chimney termination caps shall be constructed and installed in such a way so as not to cause an unreasonable risk of fire outside the fireplace enclosure or chimney.

(3) Electrical and mechanical systems shall be constructed and installed in such a way so as not to cause an unreasonable risk of fire.

(e) With respect to plumbing and sewer issues:
Plumbing and sewer systems shall be installed to operate properly and shall not materially impair the use of the structure by its inhabitants. However, no action may be brought for a violation of this subdivision more than four years after close of escrow.

(f) With respect to electrical system issues:
Electrical systems shall operate properly and shall not materially impair the use of the structure by its inhabitants. However, no action shall be brought pursuant to this subdivision more than four years from close of escrow.

(g) With respect to issues regarding other areas of construction:

(1) Exterior pathways, driveways, hardscape, sidewalls, sidewalks, and patios installed by the original builder shall not contain cracks that display significant vertical displacement or that are excessive. However, no action shall be brought upon a violation of this paragraph more than four years from close of escrow.

(2) Stucco, exterior siding, and other exterior wall finishes and fixtures, including, but not limited to, pot shelves, horizontal surfaces, columns, and plant-ons, shall not contain significant cracks or separations.

(3) (A) To the extent not otherwise covered by these standards, manufactured products, including, but not limited to, windows, doors, roofs, plumbing products and fixtures, fireplaces, electrical fixtures, HVAC units, countertops, cabinets, paint, and appliances shall be installed so as not to interfere with the products' useful life, if any.

(B) For purposes of this paragraph, "useful life" means a representation of how long a product is warranted or represented, through its limited warranty or any written representations, to last by its manufacturer, including recommended or required maintenance. If there is no representation by a manufacturer, a builder shall install manufactured products so as not to interfere with the product's utility.

(C) For purposes of this paragraph, "manufactured product" means a product that is completely manufactured offsite.

(D) If no useful life representation is made, or if the representation is less than one year, the period shall be no less than one year. If a manufactured product is damaged as a result of a violation of these standards, damage to the product is a recoverable element of damages. This subparagraph does not limit recovery if there has been damage to another building component caused by a manufactured product during the manufactured product's useful life.

(E) This title does not apply in any action seeking recovery solely for a defect in a manufactured product located within or adjacent to a structure.

(4) Heating shall be installed so as to be capable of maintaining a room temperature of 70 degrees Fahrenheit at a point three feet above the floor in any living space if the heating was installed pursuant to a building permit application submitted prior to January 1, 2008, or capable of maintaining a room temperature of 68 degrees Fahrenheit at a point three feet above the floor and two feet from exterior walls in all habitable rooms at the design temperature if the heating was installed pursuant to a building permit application submitted on or before January 1, 2008.

(5) Living space air-conditioning, if any, shall be provided in a manner consistent with the size and efficiency design criteria specified in Title 24 of the California Code of Regulations or its successor.

(6) Attached structures shall be constructed to comply with inter unit noise transmission standards set by the applicable government building codes, ordinances, or regulations in effect at the time of the original construction. If there is no applicable code, ordinance, or regulation, this paragraph does not apply. However, no action shall be brought pursuant to this paragraph more than one year from the original occupancy of the adjacent unit.

(7) Irrigation systems and drainage shall operate properly so as not to damage landscaping or other external improvements. However, no action shall be brought pursuant to this paragraph more than one year from close of escrow.

(8) Untreated wood posts shall not be installed in contact with soil so as to cause unreasonable decay to the wood based upon the finish grade at the time of original construction. However, no action shall be brought pursuant to this paragraph more than two years from close of escrow.

(9) Untreated steel fences and adjacent components shall be installed so as to prevent unreasonable corrosion. However, no action shall be brought pursuant to this paragraph more than four years from close of escrow.

(10) Paint and stains shall be applied in such a manner so as not to cause deterioration of the building surfaces for the length of time specified by the paint or stain manufacturers' representations, if any. However, no action shall be brought pursuant to this paragraph more than five years from close of escrow.

(11) Roofing materials shall be installed so as to avoid materials falling from the roof.

(12) The landscaping systems shall be installed in such a manner so as to survive for not less than one year. However, no action shall be brought pursuant to this paragraph more than two years from close of escrow.

(13) Ceramic tile and tile backing shall be installed in such a manner that the tile does not detach.

(14) Dryer ducts shall be installed and terminated pursuant to manufacturer installation requirements. However, no action shall be brought pursuant to this paragraph more than two years from close of escrow.

(15) Structures shall be constructed in such a manner so as not to impair the occupants' safety because they contain public health hazards as determined by a duly authorized public health official, health agency, or governmental entity having jurisdiction. This paragraph does not limit recovery for any damages caused by a violation of any other paragraph of this section on the grounds that the damages do not constitute a health hazard.

897. The standards set forth in this chapter are intended to address every function or component of a structure. To the extent that a function or component of a structure is not addressed by these standards, it shall be actionable if it causes damage.

CHAPTER 3.
OBLIGATIONS

900. As to fit and finish items, a builder shall provide a homebuyer with a minimum one-year express written limited warranty covering the fit and finish of the following building components. Except as otherwise provided by the standards specified in Chapter 2 (commencing with Section 896), this warranty shall cover the fit and finish of cabinets, mirrors, flooring, interior and exterior walls, countertops, paint finishes, and trim, but shall not apply to damage to those components caused by defects in other components governed by the other provisions of this title. Any fit and finish matters covered by this warranty are not subject to the provisions of this title. If a builder fails to provide the express warranty required by this section, the warranty for these items shall be for a period of one year.

901. A builder may, but is not required to, offer greater protection or protection for longer time periods in its express contract with the homeowner than that set forth in Chapter 2 (commencing with Section 896). A builder may not limit the application of Chapter 2 (commencing with Section 896) or lower its protection through the express contract with the homeowner. This type of express contract constitutes an "enhanced protection agreement."

902. If a builder offers an enhanced protection agreement, the builder may choose to be subject to its own express contractual provisions in place of the provisions set forth in Chapter 2 (commencing with Section 896). If an enhanced protection agreement is in place, Chapter 2 (commencing with Section 896) no longer applies other than to set forth minimum provisions by which to judge the enforceability of the particular provisions of the enhanced protection agreement.

903. If a builder offers an enhanced protection agreement in place of the provisions set forth in Chapter 2 (commencing with Section 896), the election to do so shall be made in writing with the homeowner no later than the close of escrow. The builder shall provide the homeowner with a complete copy of Chapter 2 (commencing with Section 896) and advise the homeowner that the builder has elected not to be subject to its provisions. If any provision of an enhanced protection agreement is later found to be unenforceable as not meeting the minimum standards of Chapter 2 (commencing with Section 896), a builder may use this chapter in lieu of those provisions found to be unenforceable.

904. If a builder has elected to use an enhanced protection agreement, and a homeowner disputes that the particular provision or time periods of the enhanced protection agreement are not greater than, or equal to, the provisions of Chapter 2 (commencing with Section 896) as they apply to the particular deficiency alleged by the homeowner, the homeowner may seek to enforce the application of the standards set forth in this chapter as to those claimed deficiencies. If a homeowner seeks to enforce a particular standard in lieu of a provision of the enhanced protection agreement, the homeowner shall give the builder written notice of that intent at the time the homeowner files a notice of claim pursuant to Chapter 4 (commencing with Section 910).

905. If a homeowner seeks to enforce Chapter 2 (commencing with Section 896), in lieu of the enhanced protection agreement in a subsequent litigation or other legal action, the builder shall have the right to have the matter bifurcated, and to have an immediately binding determination of his or her responsive pleading within 60 days after the filing of that pleading, but in no event after the commencement of discovery, as to the application of either Chapter 2 (commencing with Section 896) or the enhanced protection agreement as to the deficiencies claimed by the homeowner. If the builder fails to seek that determination in the timeframe specified, the builder waives the right to do so and the standards set forth in this title shall apply. As to any non-original homeowner, that homeowner shall be deemed in privity for purposes of an enhanced protection agreement only to the extent that the builder has recorded the enhanced protection agreement on title or provided actual notice to the non-original homeowner of the enhanced protection agreement. If the enhanced protection agreement is not recorded on title or no actual notice has been provided, the standards set forth in this title apply to any non-original homeowners' claims.

906. A builder's election to use an enhanced protection agreement addresses only the issues set forth in Chapter 2 (commencing with Section 896) and does not constitute an election to use or not use the provisions of Chapter 4 (commencing with Section 910). The decision to use or not use Chapter 4 (commencing with Section 910) is governed by the provisions of that chapter.

907. A homeowner is obligated to follow all reasonable maintenance obligations and schedules communicated in writing to the homeowner by the builder and product manufacturers, as well as commonly accepted maintenance practices. A failure by a homeowner to follow these obligations, schedules, and practices may subject the homeowner to the affirmative defenses contained in Section 944.

CHAPTER 4.

PRELITIGATION PROCEDURE

910. Prior to filing an action against any party alleged to have contributed to a violation of the standards set forth in Chapter 2 (commencing with Section 896), the claimant shall initiate the following prelitigation procedures:

(a) The claimant or his or her legal representative shall provide written notice via certified mail, overnight mail, or personal delivery to the builder, in the manner prescribed in this section, of the claimant's claim that the construction of his or her residence violates any of the standards set forth in Chapter 2 (commencing with Section 896). That notice shall provide the claimant's name, address, and preferred method of contact, and shall state that the claimant alleges a violation pursuant to this part against the builder, and shall describe the claim in reasonable detail sufficient to determine the nature and location, to the extent known, of the claimed violation. In the case of a group of homeowners or an association, the notice may identify the claimants solely by address or other description sufficient to apprise the builder of the locations of the subject residences. That document shall have the same force and effect as a notice of commencement of a legal proceeding.

(b) The notice requirements of this section do not preclude a homeowner from seeking redress through any applicable normal customer service procedure as set forth in any contractual, warranty, or other builder-generated document; and, if a homeowner seeks to do so, that request shall not satisfy the notice requirements of this section.

911. (a) For purposes of this title, except as provided in subdivision (b),"builder" means any entity or individual, including, but not limited to a builder, developer, general contractor, contractor, or original seller, who, at the time of sale, was also in the business of selling residential units to the public for the property that is the subject of the homeowner's claim or was in the business of building, developing, or constructing residential units for public purchase for the property that is the subject of the homeowner's claim.

(b) For the purposes of this title, "builder" does not include any entity or individual whose involvement with a residential unit that is the subject of the homeowner's claim is limited to his or her capacity as general contractor or contractor and who is not a partner, member of, subsidiary of, or otherwise similarly affiliated with the builder. For purposes of this title, these nonaffiliated general contractors and nonaffiliated contractors shall be treated the same as subcontractors, material suppliers, individual product manufacturers, and design professionals.

912. A builder shall do all of the following:

(a) Within 30 days of a written request by a homeowner or his or her legal representative, the builder shall provide copies of all relevant plans, specifications, mass or rough grading plans, final soils reports, Department of Real Estate public reports, and available engineering calculations, that pertain to a homeowner's residence specifically or as part of a larger development tract. The request shall be honored if it states that it is made relative to structural, fire safety, or soils provisions of this title. However, a builder is not obligated to provide a copying service, and reasonable copying costs shall be borne by the requesting party. A builder may require that the documents be copied onsite by the requesting party, except that the homeowner may, at his or her option, use his or her own copying service, which may include an offsite copy facility that is bonded and insured. If a builder can show that the builder maintained the documents, but that they later became unavailable due to loss or destruction that was not the fault of the builder, the builder may be excused from the requirements of this subdivision, in which case the builder shall act with reasonable diligence to assist the homeowner in obtaining those documents from any applicable government authority or from the source that generated the document. However, in that case, the time limits specified by this section do not apply.

(b) At the expense of the homeowner, who may opt to use an offsite copy facility that is bonded and insured, the builder shall provide to the homeowner or his or her legal representative copies of all maintenance and preventative maintenance recommendations that pertain to his or her residence within 30 days of service of a written request for those documents. Those documents shall also be provided to the homeowner in conjunction with the initial sale of the residence.

(c) At the expense of the homeowner, who may opt to use an offsite copy facility that is bonded and insured, a builder shall provide to the homeowner or his or her legal representative copies of all manufactured products maintenance, preventive maintenance, and limited warranty information within 30 days of a written request for those documents. These documents shall also be provided to the homeowner in conjunction with the initial sale of the residence.

(d) At the expense of the homeowner, who may opt to use an offsite copy facility that is bonded and insured, a builder shall provide to the homeowner or his or her legal representative copies of all of the builder's limited contractual warranties in accordance with this part in effect at the time of the original sale of the residence within 30 days of a written request for those documents. Those documents shall also be provided to the homeowner in conjunction with the initial sale of the residence.

(e) A builder shall maintain the name and address of an agent for notice pursuant to this chapter with the Secretary of State or, alternatively, elect to use a third party for that notice if the builder has notified the homeowner in writing of the third party's name and address, to whom claims and requests for information under this section may be mailed. The name and address of the agent for notice or third party shall be included with the original sales documentation and shall be initialed and acknowledged by the purchaser and the builder's sales representative. This subdivision applies to instances in which a builder contracts with a third party to accept claims and act on the builder's behalf. A builder shall give actual notice to the homeowner that the builder has made such an election, and shall include the name and address of the third party.

(f) A builder shall record on title a notice of the existence of these procedures and a notice that these procedures impact the legal rights of the homeowner. This information shall also be included with the original sales documentation and shall be initialed and acknowledged by the purchaser and the builder's sales representative.

(g) A builder shall provide with the original sales documentation, a written copy of this title, which shall be initialed and acknowledged by the purchaser and the builder's sales representative.

(h) As to any documents provided in conjunction with the original sale, the builder shall instruct the original purchaser to provide those documents to any subsequent purchaser.

(i) Any builder who fails to comply with any of these requirements within the time specified is not entitled to the protection of this chapter, and the homeowner is released from the requirements of this chapter and may proceed with the filing of an action, in which case the remaining chapters of this part shall continue to apply to the action.

913. A builder or his or her representative shall acknowledge, in writing, receipt of the notice of the claim within 14 days after receipt of the notice of the claim. If the notice of the claim is served by the claimant's legal representative, or if the builder receives a written representation letter from a homeowner's attorney, the builder shall include the attorney in all subsequent substantive communications, including, without limitation, all written communications occurring pursuant to this chapter, and all substantive and procedural communications, including all written communications, following the commencement of any subsequent complaint or other legal action, except that if the builder has retained or involved legal counsel to assist the builder in this process, all communications by the builder's counsel shall only be with the claimant's legal representative, if any.

914. (a) This chapter establishes a nonadversarial procedure, including the remedies available under this chapter which, if the procedure does not resolve the dispute between the parties, may result in a subsequent action to enforce the other chapters of this title. A builder may attempt to commence nonadversarial contractual provisions other than the nonadversarial procedures and remedies set forth in this chapter, but may not, in addition to its own nonadversarial contractual provisions, require adherence to the nonadversarial procedures and remedies set forth in this chapter, regardless of whether the builder's own alternative nonadversarial contractual provisions are successful in resolving the dispute or ultimately deemed enforceable.

At the time the sales agreement is executed, the builder shall notify the homeowner whether the builder intends to engage in the nonadversarial procedure of this section or attempt to enforce alternative nonadversarial contractual provisions. If the builder elects to use alternative nonadversarial contractual provisions in lieu of this chapter, the election is binding, regardless of whether the builder's alternative nonadversarial contractual provisions are successful in resolving the ultimate dispute or are ultimately deemed enforceable.

(b) Nothing in this title is intended to affect existing statutory or decisional law pertaining to the applicability, viability, or enforceability of alternative dispute resolution methods, alternative remedies, or contractual arbitration, judicial reference, or similar procedures requiring a binding resolution to enforce the other chapters of this title or any other disputes between homeowners and builders. Nothing in this title is intended to affect the applicability, viability, or enforceability, if any, of contractual arbitration or judicial reference after a nonadversarial procedure or provision has been completed.

915. If a builder fails to acknowledge receipt of the notice of a claim within the time specified, elects not to go through the process set forth in this chapter, or fails to request an inspection within the time specified, or at the conclusion or cessation of an alternative nonadversarial proceeding, this chapter does not apply and the homeowner is released from the requirements of this chapter and may proceed with the filing of an action. However, the standards set forth in the other chapters of this title shall continue to apply to the action.

916. (a) If a builder elects to inspect the claimed unmet standards, the builder shall complete the initial inspection and testing within 14 days after acknowledgment of receipt of the notice of the claim, at a mutually convenient date and time. If the homeowner has retained legal representation, the inspection shall be scheduled with the legal representative's office at a mutually convenient date and time, unless the legal representative is unavailable during the relevant time periods. All costs of builder inspection and testing, including any damage caused by the builder inspection, shall be borne by the builder. The builder shall also provide written proof that the builder has liability insurance to cover any damages or injuries occurring during inspection and testing. The builder shall restore the property to its pretesting condition within 48 hours of the testing. The builder shall, upon request, allow the inspections to be observed and electronically recorded, video recorded, or photographed by the claimant or his or her legal representative.

(b) Nothing that occurs during a builder's or claimant's inspection or testing may be used or introduced as evidence to support a spoliation defense by any potential party in any subsequent litigation.

(c) If a builder deems a second inspection or testing reasonably necessary, and specifies the reasons therefor in writing within three days following the initial inspection, the builder may conduct a second inspection or testing. A second inspection or testing shall be completed within 40 days of the initial inspection or testing. All requirements concerning the initial inspection or testing shall also apply to the second inspection or testing.

(d) If the builder fails to inspect or test the property within the time specified, the claimant is released from the requirements of this section and may proceed with the filing of an action. However, the standards set forth in the other chapters of this title shall continue to apply to the action.

(e) If a builder intends to hold a subcontractor, design professional, individual product manufacturer, or material supplier, including an insurance carrier, warranty company, or service company, responsible for its contribution to the unmet standard, the builder shall provide notice to that person or entity sufficiently in advance to allow them to attend the initial, or if requested, second inspection of any alleged unmet standard and to participate in the repair process. The claimant and his or her legal representative, if any, shall be advised in a reasonable time prior to the inspection as to the identity of all persons or entities invited to attend. This subdivision does not apply to the builder's insurance company. Except with respect to any claims involving a repair actually conducted under this chapter, nothing in this subdivision shall be construed to relieve a subcontractor, design professional, individual product manufacturer, or material supplier of any liability under an action brought by a claimant.

917. Within 30 days of the initial or, if requested, second inspection or testing, the builder may offer in writing to repair the violation. The offer to repair shall also compensate the homeowner for all applicable damages recoverable under Section 944, within the timeframe for the repair set forth in this chapter. Any such offer shall be accompanied by a detailed, specific, step-by-step statement identifying the particular violation that is being repaired, explaining the nature, scope, and location of

the repair, and setting a reasonable completion date for the repair. The offer shall also include the names, addresses, telephone numbers, and license numbers of the contractors whom the builder intends to have perform the repair. Those contractors shall be fully insured for, and shall be responsible for, all damages or injuries that they may cause to occur during the repair, and evidence of that insurance shall be provided to the homeowner upon request. Upon written request by the homeowner or his or her legal representative, and within the timeframes set forth in this chapter, the builder shall also provide any available technical documentation, including, without limitation, plans and specifications, pertaining to the claimed violation within the particular home or development tract. The offer shall also advise the homeowner in writing of his or her right to request up to three additional contractors from which to select to do the repair pursuant to this chapter.

918. Upon receipt of the offer to repair, the homeowner shall have 30 days to authorize the builder to proceed with the repair. The homeowner may alternatively request, at the homeowner's sole option and discretion, that the builder provide the names, addresses, telephone numbers, and license numbers for up to three alternative contractors who are not owned or financially controlled by the builder and who regularly conduct business in the county where the structure is located. If the homeowner so elects, the builder is entitled to an additional noninvasive inspection, to occur at a mutually convenient date and time within 20 days of the election, so as to permit the other proposed contractors to review the proposed site of the repair. Within 35 days after the request of the homeowner for alternative contractors, the builder shall present the homeowner with a choice of contractors. Within 20 days after that presentation, the homeowner shall authorize the builder or one of the alternative contractors to perform the repair.

919. The offer to repair shall also be accompanied by an offer to mediate the dispute if the homeowner so chooses. The mediation shall be limited to a four-hour mediation, except as otherwise mutually agreed before a nonaffiliated mediator selected and paid for by the builder. At the homeowner's sole option, the homeowner may agree to split the cost of the mediator, and if he or she does so, the mediator shall be selected jointly. The mediator shall have sufficient availability such that the mediation occurs within 15 days after the request to mediate is received and occurs at a mutually convenient location within the county where the action is pending. If a builder has made an offer to repair a violation, and the mediation has failed to resolve the dispute, the homeowner shall allow the repair to be performed either by the builder, its contractor, or the selected contractor.

920. If the builder fails to make an offer to repair or otherwise strictly comply with this chapter within the times specified, the claimant is released from the requirements of this chapter and may proceed with the filing of an action. If the contractor performing the repair does not complete the repair in the time or manner specified, the claimant may file an action. If this occurs, the standards set forth in the other chapters of this part shall continue to apply to the action.

921. (a) In the event that a resolution under this chapter involves a repair by the builder, the builder shall make an appointment with the claimant, make all appropriate arrangements to effectuate a repair of the claimed unmet standards, and compensate the homeowner for all damages resulting therefrom free of charge to the claimant. The repair shall be scheduled through the claimant's legal representative, if any, unless he or she is unavailable during the relevant time periods. The repair shall be commenced on a mutually convenient date within 14 days of acceptance or, if an alternative contractor is selected by the homeowner, within 14 days of the selection, or, if a mediation occurs, within seven days of the mediation, or within five days after a permit is obtained if one is required. The builder shall act with reasonable diligence in obtaining any such permit.

(b) The builder shall ensure that work done on the repairs is done with the utmost diligence, and that the repairs are completed as soon as reasonably possible, subject to the nature of the repair or some unforeseen event not caused by the builder or the contractor performing the repair. Every effort shall be made to complete the repair within 120 days.

922. The builder shall, upon request, allow the repair to be observed and electronically recorded, video recorded, or photographed by the claimant or his or her legal representative. Nothing that occurs during the repair process may be used or introduced as evidence to support a spoliation defense by any potential party in any subsequent litigation.

923. The builder shall provide the homeowner or his or her legal representative, upon request, with copies of all correspondence, photographs, and other materials pertaining or relating in any manner to the repairs.

924. If the builder elects to repair some, but not all of, the claimed unmet standards, the builder shall, at the same time it makes its offer, set forth with particularity in writing the reasons, and the support for those reasons, for not repairing all claimed unmet standards.

925. If the builder fails to complete the repair within the time specified in the repair plan, the claimant is released from the requirements of this chapter and may proceed with the filing of an action. If this occurs, the standards set forth in the other chapters of this title shall continue to apply to the action.

926. The builder may not obtain a release or waiver of any kind in exchange for the repair work mandated by this chapter. At the conclusion of the repair, the claimant may proceed with filing an action for violation of the applicable standard or for a claim of inadequate repair, or both, including all applicable damages available under Section 944.

927. If the applicable statute of limitations has otherwise run during this process, the time period for filing a complaint or other legal remedies for violation of any provision of this title, or for a claim of inadequate repair, is extended from the time of the original claim by the claimant to 100 days after the repair is completed, whether or not the particular violation is the one being repaired. If the builder fails to acknowledge the claim within the time specified, elects not to go through this statutory process, or fails to request an inspection within the time specified, the time period for filing a complaint or other legal remedies for violation of any provision of this title is extended from the time of the original claim by the claimant to 45 days after the time for responding to the notice of claim has expired. If the builder elects to attempt to enforce its own nonadversarial procedure in lieu of the procedure set forth in this chapter, the time period for filing a complaint or other legal remedies for violation of any provision of this part is extended from the time of the original claim by the claimant to 100 days after either the completion of the builder's alternative nonadversarial procedure, or 100 days after the builder's alternative nonadversarial procedure is deemed unenforceable, whichever is later.

928. If the builder has invoked this chapter and completed a repair, prior to filing an action, if there has been no previous mediation between the parties, the homeowner or his or her legal representative shall request mediation in writing. The mediation shall be limited to four hours, except as otherwise mutually agreed before a nonaffiliated mediator selected and paid for by the builder. At the homeowner's sole option, the homeowner may agree to split the cost of the mediator and if he or she does so, the mediator shall be selected jointly. The mediator shall have sufficient availability such that the mediation will occur within 15 days after the request for mediation is received and shall occur at a mutually convenient location within the county where the action is pending. In the event that a mediation is used at this point, any applicable statutes of limitations shall be tolled from the date of the request to mediate until the next court day after the mediation is completed, or the 100-day period, whichever is later.

929. (a) Nothing in this chapter prohibits the builder from making only a cash offer and no repair. In this situation, the homeowner is free to accept the offer, or he or she may reject the offer and proceed with the filing of an action. If the latter occurs, the standards of the other chapters of this title shall continue to apply to the action.

(b) The builder may obtain a reasonable release in exchange for the cash payment. The builder may negotiate the terms and conditions of any reasonable release in terms of scope and consideration in conjunction with a cash payment under this chapter.

930. (a) The time periods and all other requirements in this chapter are to be strictly construed, and, unless extended by the mutual agreement of the parties in accordance with this chapter, shall govern the rights and obligations under this title. If a builder fails to act in accordance with this section within the timeframes mandated, unless extended by the mutual agreement of the parties as evidenced by a post claim written confirmation by the affected homeowner demonstrating that he or she has knowingly and voluntarily extended the statutory timeframe, the claimant may proceed with filing an action. If this occurs, the standards of the other chapters of this title shall continue to apply to the action.

(b) If the claimant does not conform with the requirements of this chapter, the builder may bring a motion to stay any subsequent court action or other proceeding until the requirements of this chapter have been satisfied. The court, in its discretion, may award the prevailing party on such a motion, his or her attorney's fees and costs in bringing or opposing the motion.

931. If a claim combines causes of action or damages not covered by this part, including, without limitation, personal injuries, class actions, other statutory remedies, or fraud-based claims, the claimed unmet standards shall be administered according to this part, although evidence of the property in its unrepaired condition may be introduced to support the respective elements of any such cause of action. As to any fraud based-claim, if the fact that the property has been repaired under this chapter is deemed admissible, the trier of fact shall be informed that the repair was not voluntarily accepted by the homeowner. As to any class action claims that address solely the incorporation of a defective component into a residence, the named and unnamed class members need not comply with this chapter.

932. Subsequently discovered claims of unmet standards shall be administered separately under this chapter, unless otherwise agreed to by the parties. However, in the case of a detached single family residence, in the same home, if the subsequently discovered claim is for a violation of the same standard as that which has already been initiated by the same claimant and the subject of a currently pending action, the claimant need not reinitiate the process as to the same standard. In the case of an attached project, if the subsequently discovered claim is for a violation of the same standard for a connected component system in the same building as has already been initiated by the same claimant, and the subject of a currently pending action, the claimant need not reinitiate this process as to that standard.

933. If any enforcement of these standards is commenced, the fact that a repair effort was made may be introduced to the trier of fact. However, the claimant may use the condition of the property prior to the repair as the basis for contending that the repair work was inappropriate, inadequate, or incomplete, or that the violation still exists. The claimant need not show that the repair work resulted in further damage nor that damage has continued to occur as a result of the violation.

934. Evidence of both parties' conduct during this process may be introduced during a subsequent enforcement action, if any, with the exception of any mediation. Any repair efforts undertaken by the builder, shall not be considered settlement communications or offers of settlement and are not inadmissible in evidence on such a basis.

935. To the extent that provisions of this chapter are enforced and those provisions are substantially similar to provisions in Section 6000, but an action is subsequently commenced under Section 6000, the parties are excused from performing the substantially similar requirements under Section 6000.

936. Each and every provision of the other chapters of this title apply to general contractors, subcontractors, material suppliers, individual product manufacturers, and design professionals to the extent that the general contractors, subcontractors, material suppliers, individual product manufacturers, and design professionals caused, in whole or in part, a violation of a particular standard as the result of a negligent act or omission or a breach of contract. In addition to the affirmative defenses set forth in Section 945.5, a general contractor, subcontractor, material supplier, design professional, individual product manufacturer, or other entity may also offer common law and contractual defenses as applicable to any claimed violation of a standard. All actions by a claimant or builder to enforce an express contract, or any provision thereof, against a general contractor, subcontractor, material supplier, individual product manufacturer, or design professional is preserved. Nothing in this title modifies the law pertaining to joint and several liability for builders, general contractors, subcontractors, material suppliers, individual product manufacturer, and design professionals that contribute to any specific violation of this title. However, the negligence standard in this section does not apply to any general contractor, subcontractor, material supplier, individual product manufacturer, or design professional with respect to claims for which strict liability would apply.

937. Nothing in this title shall be interpreted to eliminate or abrogate the requirement to comply with Section 411.35 of the Code of Civil Procedure or to affect the liability of design professionals, including architects and architectural firms, for

claims and damages not covered by this title.

938. This title applies only to new residential units where the purchase agreement with the buyer was signed by the seller on or after January 1, 2003.

CHAPTER 5.
PROCEDURE

941. (a) Except as specifically set forth in this title, no action may be brought to recover under this title more than 10 years after substantial completion of the improvement but not later than the date of recordation of a valid notice of completion.

(b) As used in this section, "action" includes an action for indemnity brought against a person arising out of that person's performance or furnishing of services or materials referred to in this title, except that a cross-complaint for indemnity may be filed pursuant to subdivision (b) of Section 428.10 of the Code of Civil Procedure in an action which has been brought within the time period set forth in subdivision (a).

(c) The limitation prescribed by this section may not be asserted by way of defense by any person in actual possession or the control, as owner, tenant or otherwise, of such an improvement, at the time any deficiency in the improvement constitutes the proximate cause for which it is proposed to make a claim or bring an action.

(d) Sections 337.15 and 337.1 of the Code of Civil Procedure do not apply to actions under this title.

(e) Existing statutory and decisional law regarding tolling of the statute of limitations shall apply to the time periods for filing an action or making a claim under this title, except that repairs made pursuant to Chapter 4 (commencing with Section 910), with the exception of the tolling provision contained in Section 927, do not extend the period for filing an action, or restart the time limitations contained in subdivision (a) or (b) of Section 7091 of the Business and Professions Code. If a builder arranges for a contractor to perform a repair pursuant to Chapter 4 (commencing with Section 910), as to the builder the time period for calculating the statute of limitation in subdivision (a) or (b) of Section 7091 of the Business and Professions Code shall pertain to the substantial completion of the original construction and not to the date of repairs under this title. The time limitations established by this title do not apply to any action by a claimant for a contract or express contractual provision. Causes of action and damages to which this chapter does not apply are not limited by this section.

942. In order to make a claim for violation of the standards set forth in Chapter 2 (commencing with Section 896), a homeowner need only demonstrate, in accordance with the applicable evidentiary standard, that the home does not meet the applicable standard, subject to the affirmative defenses set forth in Section 945.5. No further showing of causation or damages is required to meet the burden of proof regarding a violation of a standard set forth in Chapter 2 (commencing with Section 896), provided that the violation arises out of, pertains to, or is related to, the original construction.

943. (a) Except as provided in this title, no other cause of action for a claim covered by this title or for damages recoverable under Section 944 is allowed. In addition to the rights under this title, this title does not apply to any action by a claimant to enforce a contract or express contractual provision, or any action for fraud, personal injury, or violation of a statute. Damages awarded for the items set forth in Section 944 in such other cause of action shall be reduced by the amounts recovered pursuant to Section 944 for violation of the standards set forth in this title.

(b) As to any claims involving a detached single-family home, the homeowner's right to the reasonable value of repairing any nonconformity is limited to the repair costs, or the diminution in current value of the home caused by the nonconformity, whichever is less, subject to the personal use exception as developed under common law.

944. If a claim for damages is made under this title, the homeowner is only entitled to damages for the reasonable value of repairing any violation of the standards set forth in this title, the reasonable cost of repairing any damages caused by the repair efforts, the reasonable cost of repairing and rectifying any damages resulting from the failure of the home to meet the standards, the reasonable cost of removing and replacing any improper repair by the builder, reasonable relocation and storage expenses, lost business income if the home was used as a principal place of a business licensed to be operated from the home, reasonable investigative costs for each established violation, and all other costs or fees recoverable by contract or statute.

945. The provisions, standards, rights, and obligations set forth in this title are binding upon all original purchasers and their successors-in-interest. For purposes of this title, associations and others having the rights set forth in Sections 5980 and 5985 shall be considered to be original purchasers and shall have standing to enforce the provisions, standards, rights, and obligations set forth in this title.

945.5. A builder, general contractor, subcontractor, material supplier, individual product manufacturer, or design professional, under the principles of comparative fault pertaining to affirmative defenses, may be excused, in whole or in part, from any obligation, damage, loss, or liability if the builder, general contractor, subcontractor, material supplier, individual product manufacturer, or design professional can demonstrate any of the following affirmative defenses in response to a claimed violation:

(a) To the extent it is caused by an unforeseen act of nature which caused the structure not to meet the standard. For purposes of this section an "unforeseen act of nature" means a weather condition, earthquake, or manmade event such as war, terrorism, or vandalism, in excess of the design criteria expressed by the applicable building codes, regulations, and ordinances in effect at the time of original construction.

(b) To the extent it is caused by a homeowner's unreasonable failure to minimize or prevent those damages in a timely manner, including the failure of the homeowner to allow reasonable and timely access for inspections and repairs under this title. This includes the failure to give timely notice to the builder after discovery of a violation, but does not include damages due to the untimely or inadequate response of a builder to the homeowner's claim.

(c) To the extent it is caused by the homeowner or his or her agent, employee, general contractor, subcontractor, independent contractor, or consultant by virtue of their failure to follow the builder's or manufacturer's recommendations, or commonly accepted homeowner maintenance obligations. In order to rely upon this defense as it relates to a builder's recommended maintenance schedule, the builder shall show that the homeowner had written notice of these schedules and recommendations and that the recommendations and schedules were reasonable at the time they were issued

(d) To the extent it is caused by the homeowner or his or her agent's or an independent third party's alterations, ordinary wear and tear, misuse, abuse, or neglect, or by the structure's use for something other than its intended purpose.

(e) To the extent that the time period for filing actions bars the claimed violation.

(f) As to a particular violation for which the builder has obtained a valid release.

(g) To the extent that the builder's repair was successful in correcting the particular violation of the applicable standard.

(h) As to any causes of action to which this statute does not apply, all applicable affirmative defenses are preserved.

ACCESSIBILITY FEATURES DISCLOSURE ADDENDUM

THIS ACCESSIBILITY FEATURES DISCLOSURE ADDENDUM (this "**Addendum**") is executed in conjunction with and, by this reference, incorporated into the Purchase and Sale Agreement and Deposit Receipt and Escrow Instructions (the "**Purchase Agreement**") dated seventh day of March, 2024, between Ginamarie Black, Mark Black (collectively, "**Buyer**") and Seller, as defined in the Purchase Agreement, respecting Unit No. 0104 Building No. 7B, in the City/County of Chula Vista / San Diego, State of California, in the community known as LUNA @ Sunbow (the"**Property**").

1. **Defined Terms**. All initially capitalized terms not defined herein shall have the meanings set forth in the Purchase Agreement, and all references in this Addendum to the Purchase Agreement shall be deemed to include references to this Addendum and to any other addenda and riders attached to the Purchase Agreement, which are hereby incorporated herein by this reference.

2. **Accessibility Features Disclosure Law**. California Health and Safety Code Section 17959.6 requires builders of new for sale homes to provide buyers with a list of accessibility features that would make the entrance, interior routes of travel, kitchen and bathrooms accessible to disabled persons. The California Department of Housing and Community Development ("**HCD**") has published a universal checklist of accessibility features ("**Accessibility Checklist**") that may be used by builders to meet this requirement.

3. **Summary of New Home Universal Design Checklist**. Attached hereto as **Exhibit A** is a "Summary of the New Home Universal Design Checklist (AB1400)" prepared by HCD to provide further information concerning compliance with Health and Safety Code Section 17959.6.

4. **Accessibility Checklist**. Attached hereto as **Exhibit B** is Seller's completed Accessibility Checklist which indicates, which, if any, of the listed accessibility features are standard, optional, or unavailable for the Property, as well as the timing such features must be requested from Seller (if such features are available) and the approximate cost for installation of such features. Seller is not required by Health and Safety Code Section 17959.6 to offer or install any particular feature on the Accessibility Checklist. If a feature is offered by Seller on the Accessibility Checklist, Seller is only obligated to install such feature if Buyer requires installation within the applicable timeframe listed on the Accessibility Checklist and Buyer has agreed to provide payment for such feature.

5. **Acknowledgement**. By executing below, Buyer acknowledges and agrees that: (a) Buyer has read this Addendum, (b) Buyer understands the information in this Addendum or Buyer will take whatever steps are necessary including, without limitation, consulting an attorney, interpreter, engineer or any other person whose advice or assistance may be necessary to fully understand this Addendum, (c) Seller has made no other representations or warranties regarding this information, and (d) Buyer has considered the possible effect of this information in making Buyer's decision to purchase the Property.

6. **Counterparts**. This Addendum shall be validly executed when signed in counterpart; a complete set of which shall form a single document. Signatures may be given via electronic transmission and shall be deemed original and given as of the date and time of the transmission of this Addendum electronically to the other party.

7. **Conflicts**. In the event of any conflict between this Addendum and the Agreement, this Addendum shall control. In all other respects, the Agreement shall remain in full force and effect.

8. **Entire Agreement**. The Purchase Agreement, together with this Addendum and any other addenda and riders to the Purchase Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. No addition or modification of this Addendum or the Purchase Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

DocuSigned by:
Ginamarie Black
AD3857CB46DD4C8...
Buyer - Ginamarie Black
Date 3/5/2024

DocuSigned by:
Mark Black
BB4F66B9607849C...
Buyer - Mark Black
Date 3/5/2024

Buyer -
Date

Buyer -
Date

SELLER: Lennar Homes of California, LLC, a California limited liability company

DocuSigned by:
Cody Brown
5ADE929552E44DE...
Authorized Agent of Seller - Cody Brown
Date 3/6/2024

Exhibit A

Summary of the New Home Universal Design Checklist (AB1400)

Assembly Bill 1400 (Chapter 648 of Statutes of 2003) adopted Section 17959.6 of the Health & Safety Code. This law requires California builders constructing new for-sale residential units to provide a "checklist" of universal accessibility features to potential purchasers of a home. The statute specifically requires:

- That the checklist cover single-family, duplex, triplex, townhouse, condominium or other dwellings.
- That the checklist include specified standards and features, and any other requested by the buyer at a reasonable time, if reasonably available and feasible to install or construct.
- That the developer and buyer be permitted to agree in writing to different standards if they are clearly disclosed.
- That each feature be indicated on the list as "standard", "limited", "optional" or "not available".
- That the list includes at what point in the construction process the buyer must notify the developer that the buyer wishes to purchase the features.
- That the developer is not required to provide any feature on the list.
- That the Department can develop, certify and make available a standard form providing the checklist information, and that a developer's use of a form substantially the same as that developed and distributed by the Department is deemed to comply with the law.

The introductory section of the Checklist provides information as to the house being purchased, and clarifies, in plain English, the statutory requirements and how the form works.

Part I is a summary of which features, if any are available or offered. Part II is an explanation of the laws governing the Checklist and use of the Checklist.

Part III includes those features related to exterior adaptations, doors and openings, interior adaptations, kitchens and bathrooms or powder rooms.

Part IV includes features which apply to other parts of the house and are commonly requested or considered universal design features.

Part V provides space for details, or for any other external or internal feature that may be requested, if it is requested at a reasonable time by the buyer, is reasonably available, is reasonably feasible to install or construct, and makes the home more usable and safer for a person with any type of activity limitation or disability.

Again, this form is a standard available to those who want to use it. Its use, in substantially the same form, is deemed compliant with the statute. Any builder, however, may develop its own form as long as it complies with the requirements of the statute.

Exhibit B

Accessibility Checklist

ADDENDUM REGARDING ADDITIONAL TERMS

THIS ADDENDUM REGARDING ADDITIONAL TERMS (this "**Addendum**") is executed in conjunction with and, by this reference, incorporated into the Purchase Agreement and Deposit Receipt and Escrow Instructions (the "**Purchase Agreement**") dated as of March 07, 2024, between Ginamarie Black, Mark Black (collectively, the "**Buyer**") and Seller. as defined in the Purchase Agreement, respecting Unit 0104 of Building No. ______ of Tract No. MAP NO. 16553 in the City of Chula Vista, County of San Diego State of California, in the community known as LUNA @ Sunbow (the "**Property**").

1. **Defined Terms**. All initially capitalized terms not defined herein shall have the meanings set forth in the Purchase Agreement, and all references in this Addendum to the Purchase Agreement shall be deemed to include references to this Addendum and to any other addenda and riders attached to the Purchase Agreement, which are hereby incorporated by this reference.

2. **Subsequent Payment of Initial Deposit**. If Buyer has not already paid the Deposit at the time Seller accepts the Purchase Agreement, Buyer will make the Deposit within twenty-four (24) hours of when the Purchase Agreement is accepted by Seller ("**Subsequent Payment**"). Should Buyer fail to make the Deposit within the twenty four (24) hour period required by this Addendum, Buyer shall be in default and Seller shall have the right to unilaterally cancel the Purchase Agreement and Escrow by providing Buyer and Escrow Holder written notice and Buyer will not have the right to cure such default as described in Paragraph 13. When a Subsequent Payment is required, any provisions in the Purchase Agreement which state that a Deposit has already been provided to or received by Seller are revised to state that Buyer has chosen a method of payment that will require Buyer to make a Subsequent Payment.

3. **Debit/Credit Card Deposit**. If Buyer makes the Deposit using a credit or debit card ("**Card Deposit**"), Buyer will, upon Seller's request, provide the last 4-digits of the card to Seller and Escrow Holder conducting the Close of Escrow. At least one person that is a Buyer must be the cardholder. If the Card Deposit is a credit card deposit, it is subject to Seller's acceptance. Buyer must provide evidence to Buyer's lender no later than ten (10) business days prior to Close of Escrow that the credit card deposit has been paid off out of Buyer's own funds. Such evidence shall include, but is not limited to, credit card and bank statements.

4. **Representation of Compliance With OFAC Regulations**. Buyer represents and warrants that Buyer is not barred from doing business with U.S. entities pursuant to the U.S. Department of Treasury's Office of Foreign Asset Control ("**OFAC**"), including OFAC's Specially-Designated-Nationals ("**SDN**") list and lists of known or suspected terrorist organizations. If Seller identifies or is informed that Buyer is a valid match for OFAC's SDN list, then the Purchase Agreement is void, and Seller shall cancel and revoke the Purchase Agreement immediately. In the event of cancellation or revocation of the Purchase Agreement under this provision, Seller shall immediately contact OFAC to report the transaction and to determine whether deposit money provided by Buyer, if any, should be returned or blocked, consistent with OFAC regulations.

5. **Cooperation With Escrow Holder**. Buyer agrees to promptly provide Escrow Holder with all information and documentation necessary that either Escrow Holder or the title insurance company is required to obtain by law, including any requirements of the U.S. Department of Treasury. Buyer's failure to cooperate with or provide information to Escrow Holder or otherwise comply with the U.S. Department of Treasury requirements shall be considered a default under the Purchase Agreement.

6. **Further Actions**. Buyer and Seller will execute all instructions and documents required to correct any clerical errors or to effectuate the purchase and sale contemplated by the Purchase Agreement.

7. **Financing**. The following language in Paragraph 3 of the Purchase Agreement, entitled "Financing" is deleted in its entirety:

> "Regardless of lender selected by BUYER, SELLER requires BUYER to submit to Lennar Mortgage, an affiliate of SELLER, for its own purposes, a preliminary assessment of BUYER'S ability to qualify for a mortgage loan to purchase the Property, such information and authorizations requested by Lennar Mortgage to perform the preliminary qualification assessment. BUYER is not obligated to use Lennar Mortgage to obtain a loan to purchase the Property."
>
> and replaced with the following:
>
> "BUYER may have obtained a "prequalification" from Lennar Mortgage for the purpose of determining BUYER'S ability to purchase the Property. BUYER UNDERSTANDS AND ACKNOWLEDGES THAT BUYER IS NOT OBLIGATED TO USE LENNAR MORTGAGE TO OBTAIN FINANCING TO PURCHASE THE PROPERTY."
>
> The remaining terms contained in Paragraph 3 of the Purchase Agreement remain unchanged and in full force and effect.

8. **Buyer Releases Seller from Damages Caused by Buyer Improvements and Alterations**. Before Buyer installs any post-closing improvements to or on the Homesite including, but not limited to, pools, spas, planters, sidewalks, decks, patios, patio covers, room additions, sprinklers, landscaping, and other alterations (collectively "**Buyer Improvements**"), Buyer agrees to retain all appropriate professional consultants including a licensed architect and a civil, soil or structural engineer ("**Buyer Improvement Experts**") and to design and construct the Buyer Improvements in accordance with such experts' advice and specifications as well as all local building codes

and processes. The Homesite was designed and constructed to support the residence and any Homesite improvements delivered with the residence (collectively, "**Seller Delivered Improvements**"), with the expectation that Buyer will consult such Buyer Improvement Experts before designing or constructing any Buyer Improvements. Even if Buyer takes such steps, Buyer should expect that Buyer Improvements may be damaged or cause damages to the Homesite and Seller Delivered Improvements, and may cause issues such as subsidence, earth movement, foundation cracks and failure, slab/foundation tilt, deflection, erosion, improper drainage, lateral fill extension, slope creep, corrosion, spalling, efflorescence, and water intrusion which can cause major damages to the Buyer Improvements, Seller Delivered Improvements, and Homesite.

Buyer assumes all risks relating to Buyer Improvements and releases and waives all deficiencies, losses, liabilities, claims, damages, expenses, obligations, penalties, actions, judgments, awards, suits, costs or disbursements of any kind or nature whatsoever, including attorneys' fees and expenses ("**Claims**") against Seller and its affiliates, and the officers, directors, employees, contractors, consultants and agents of each of them ("**Released Parties**") arising from or in any way related to Buyer Improvements, including Claims for bodily injury, death, property damage, economic loss, and diminution in value including Claims that may not be anticipated at this time. To the extent such damages to the Seller Delivered Improvements or Homesite arise out of or relate to Buyer Improvements, any express warranties provided by Seller on the damaged components are void and released by Buyer unless such warranties are required by law and are not permitted to be modified or released.

9. **Counterparts**. This Addendum shall be validly executed when signed in counterparts, a complete set of which shall form a single document. Signatures may be given via electronic transmission and shall be deemed original and given as of the date and time of the electronic transmission of this Addendum to the other party.

10. **Conflicts**. In the event of any conflict between this Addendum and the Purchase Agreement, this Addendum shall control. In all other respects, the Purchase Agreement shall remain in full force and effect.

11. **Entire Agreement**. The Purchase Agreement, together with this Addendum and any other addenda and riders to the Purchase Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts, whether oral or written, are hereby superseded by these documents. No addition or modification of this Addendum or the Purchase Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized representative of Seller.

DocuSigned by:
Ginamarie Black
AD3857CB46DD4C8...
Buyer - Ginamarie Black
Date 3/5/2024

DocuSigned by:
Mark Black
BB4F66B9607849C...
Buyer - Mark Black
Date 3/5/2024

Buyer -
Date

Buyer -
Date

SELLER:
Lennar Homes of California, LLC, a California limited liability company
a

DocuSigned by:
By Cody Brown
5ADE929552E44DE...
Title: Authorized Representative Cody Brown
Date Signed by Seller: 3/6/2024

ADDENDUM REGARDING LENDER APPRAISAL

This **ADDENDUM REGARDING LENDER APPRAISAL** (this "**Addendum**") is executed in conjunction with and, by this reference, incorporated into the Purchase Agreement and Deposit Receipt and Escrow Instructions (the "**Purchase Agreement**") dated as of the seventh day of March, 2024, between Ginamarie Black, Mark Black (collectively, "**Buyer**") and Seller, as defined in the Purchase Agreement, respecting Unit No. 0104 of Building No. ______ of Tract No. MAP NO. 16553 in the City of Chula Vista , County of San Diego, State of California, in the community known as LUNA @ Sunbow (the "**Property**").

1. **Defined Terms**. All initially capitalized terms not defined herein shall have the meanings set forth in the Purchase Agreement, and all references in this Addendum to the Purchase Agreement shall be deemed to include references to this Addendum and to any other addenda and riders attached to the Purchase Agreement, which are hereby incorporated by this reference.

2. **Appraisal**. Seller will have no obligation to adjust the Purchase Price or otherwise compensate Buyer if Buyer is unable to procure an appraisal of the Property equal to or exceeding the Purchase Price. Buyer will not be excused from performance under the Purchase Agreement as a result of a Lender's appraisal that values the Property for less than the Purchase Price (unless otherwise provided in any FHA/VA Addendum, if applicable).

3. **Counterparts**. This Addendum shall be validly executed when signed in counterpart; a complete set of which shall form a single document. Signatures may be given via electronic transmission and shall be deemed original and given as of the date and time of the transmission of this Addendum electronically to the other party.

4. **Conflicts**. In the event of any conflict between this Addendum and the Purchase Agreement and any addenda thereto, this Addendum shall control. In all other respects, the Purchase Agreement and all addenda thereto shall remain in full force and effect.

5. **Entire Agreement**. The Purchase Agreement, together with this Addendum and any other addenda and riders to the Purchase Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts, whether oral or written, are hereby superseded by these documents. No addition or modification of this Addendum or the Purchase Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized representative of Seller.

BUYER:

DocuSigned by: Ginamarie Black
AD3857CB46DD4C8...
Buyer - Ginamarie Black
Date 3/5/2024

DocuSigned by: Mark Black
BB4F66B9607849C...
Buyer - Mark Black
Date 3/5/2024

Buyer -
Date

Buyer -
Date

SELLER:
Lennar Homes of California, LLC, a California limited liability company
a

By DocuSigned by: Cody Brown
5ADE929552E44DE...
Title: Authorized Representative
Cody Brown
Date Signed by Seller: 3/6/2024

ADDENDUM FOR NATURAL STONE FLOORS AND COUNTERTOPS

THIS ADDENDUM FOR NATURAL STONE FLOORS AND COUNTERTOPS (this "**Addendum**") is executed in conjunction with and, by this reference, incorporated into the Purchase Agreement and Deposit Receipt and Escrow Instructions (the "**Purchase Agreement**") dated seventh day of March, 2024, between Ginamarie Black, Mark Black (collectively, "**Buyer**") and Seller, as defined in the Purchase Agreement, respecting Unit No. 0104 of Building No. 7B Tract No. MAP NO. 16553, in the City/County of Chula Vista / San Diego, State of California, in the community known as LUNA @ Sunbow (the"**Property**").

1. **Defined Terms.** All initially capitalized terms not defined herein shall have the meanings set forth in the Purchase Agreement, and all references in this Addendum to the Purchase Agreement shall be deemed to include references to this Addendum and to any other addenda and riders attached to the Purchase Agreement, which are hereby incorporated by this reference.

2. **Natural Stone Flooring and Countertops.** Natural stones with varying colors and mineral compositions **("Stone")** are found in quarries throughout the world. Stone including, without limitation, marble and granite, are therefore products of nature and vary in color, markings, shade, and texture. Buyer acknowledges that Stone is not uniform and that Seller can make no guarantees regarding the color, markings, shade, and texture of the Stone to be used in the Home. Buyer further acknowledges and Seller makes the following disclosures regarding the Stone to be used/installed in Buyer's Home:

   2.1 Cleaning. Care should be exercised when cleaning Stone. No chemicals should be used to clean stone other than those cleaners specifically designed to clean Stone.

   2.2 Natural Inconsistencies. Stone contains natural inconsistencies which will be present in Stone flooring and/or countertops in the Home; such natural inconsistencies are normal and are not defects.

   2.3 Edges and Corners. There may be changes in the patterning of Stone from one edge or corner of the flooring or countertop to another edge or corner; such changes in patterning is normal and is not a defect.

   2.4 Fissures and Pits. Stone may contain fissures and pits that occur naturally and may appear as a small hole or recess; such fissures and pits are not cracks or defects.

   2.5 Spots, Freckles, and Rust. Spots, freckles, and/or rust may appear in Stone from time to time, and may appear as a concentration and/or random aberration of color in a particular area of the surface of Stone; such spots, freckles, and rust are not defects.

   2.6 Seams. Stone is almost never seamless due to the techniques employed to cut the slab of Stone in a way that preserves the maximum beauty of such Stone. Pieces of Stone must therefore be fitted together and the Stone used in the Home will not be seamless and may have visible seams, which are not defects.

   2.7 Wallboard and Plaster. Stone is cut by machine to be straight. Irregularities occurring in the Home may mean that the installer has to force pieces of Stone into the wallboard or plaster during installation to compensate for the irregularities. Shims, caulking and putty may be used to fill imperfections in walls and floors in order to install Stone flooring and countertops. There may be such shims, caulking and/or putty in the Stone used in the Home, which shims, caulking and/or putty are used to enhance the installation and are not defects.

   2.8 Staining. Stone may stain and such staining is not a defect. As a preventative measure, but not as absolute protection from staining, Stone should be sealed with the appropriate sealant, using the appropriate technique, after every six (6) months of normal use.

   2.9 Sink Cabinet. The cabinet directly under the sink shall be six (6) inches larger than the sink, as a sink of larger size will preclude natural adjustment of seams and edges of Stone countertop and may result in a deterioration of the Stone countertop.

3. **Counterparts.** This Addendum may be executed in counterparts, a complete set of which shall form a single Addendum.

4. **Conflicts.** In the event of any conflict between this Addendum and the Purchase Agreement, this Addendum shall control. In all other respects, the Purchase Agreement shall remain in full force and effect.

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5. **Entire Agreement.** The Purchase Agreement, together with this Addendum and any other addenda and riders to the Purchase Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts, whether oral or written, are hereby superseded by these documents. No addition or modification of this Addendum or the Purchase Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

DocuSigned by:
Ginamarie Black
AD3857CB46DD4C8...

Buyer - Ginamarie Black
Date 3/5/2024

DocuSigned by:
Mark Black
BB4F66B9607849C...

Buyer - Mark Black
Date 3/5/2024

Buyer -
Date

Buyer -
Date

SELLER: Lennar Homes of California, LLC, a California limited liability company

DocuSigned by:
Cody Brown
5ADE929552E44DE...

Authorized Agent of Seller - Cody Brown
Date 3/6/2024

DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP

(As required by the Civil Code)

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction.

SELLER'S AGENT

A Seller's agent under a listing agreement with Seller acts as the agent for the Seller only. A Seller's agent or a subagent of that agent has the following affirmative obligations:
To the Seller:
A fiduciary duty of the utmost care, integrity, honesty and loyalty in dealings with the Seller.
To the Buyer & Seller:
(a) Diligent exercise of reasonable skill and care in the performance of the agent's duties.
(b) A duty of honest and fair dealing and good faith.
(c) A duty to disclose all facts known to the agent materially affecting the value or desirability of property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

BUYER'S AGENT

A Buyer's agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations:
To the Buyer:
A fiduciary duty of the utmost care, integrity, honesty and loyalty in dealings with the Buyer.
To Buyer & Seller:
(a) Diligent exercise of reasonable skill and care in the performance of the agent's duties.
(b) A duty of honest and fair dealing and good faith.
(c) A duty to disclose all facts known to the agent materially affecting the value or desirability of property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

AGENT REPRESENTING BOTH SELLER AND BUYER

A real estate agent, either acting directly or through one or more salespersons and broker associates, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer.

In a dual agency situation, the agent has the following affirmative obligations to both Seller and Buyer:
(a) A fiduciary duty of the utmost care, integrity, honesty and loyalty in dealings with either Seller or the Buyer.
(b) Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, a dual agent may not, without the express permission of the respective party, disclose to the other party confidential information, including, but not limited to, facts relating to the Buyer's or Seller's financial position, motivations, bargaining position, or other personal information that may impact price, including Seller's willingness accept a price less than the listing price or that the Buyer's willingness to pay a price greater than the price offered.

SELLER AND BUYER RESPONSIBILITIES

Either the purchase agreement or separate document will contain a confirmation of which agent is representing you and whether that agent is representing you exclusively in the transaction or acting as a dual agent. Please pay attention to that confirmation to make sure it accurately reflects your understanding of your agent's role.

The above duties of the agent in a real estate transaction do not relieve Seller or Buyer from the responsibility to protect their own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

If you are a Buyer, you have the duty to exercise reasonable care to protect yourself, including as to those facts about the property which are known to you or within your diligent attention and observation.

Both Sellers and Buyers should consider obtaining tax advice from a competent professional because the federal and state tax law consequences of a transaction can be complex and subject to change.

Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction.

This disclosure form includes the provisions of Sections 2079.13 to 2079.24, inclusive, of the Civil Code set forth on the next page. Read it carefully.

Lennar Sales Corp.

DocuSigned by:
Cody Brown
5ADE929552E44DE...

Agent Cody Brown

(date) 3/6/2024

DocuSigned by:
Cody Brown
5ADE929552E44DE...

Salesperson or Broker Associate, if any Cody Brown

(date) 3/6/2024

DocuSigned by:
Ginamarie Black
AD3857CB46DD4C8...

Buyer - Ginamarie Black

(date) 3/5/2024

DocuSigned by:
Mark Black
BB4F66B9607849C...

Buyer - Mark Black

(date) 3/5/2024

Buyer -

(date)

Buyer -

(date)

CHAPTER 3 OF TITLE 6 OF PART 4 OF DIVISION 3 OF THE CIVIL CODE

Article 2 Agency Relationships in Residential Real Property Transactions

2079.13 As used in Sections 2079.7 and 2079.14 to 2079.24, inclusive, the following terms have the following meanings:

(a) "Agent" means a person acting under provision of Title 9 (commencing with Section 2295) in a real property transaction, and includes a person who is licensed as a real estate broker under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business & Professions Code, and under whose license a listing in executed or an offer to purchase is obtained.

The agent in the real property transaction bears responsibility for that agent's salespersons or broker associates who perform as agents of the agent. When a salesperson or broker associate owes a duty to any principal, or to any buyer or seller who is not a principal, in a real property transaction, that duty is equivalent to the duty owed to that party by the broker for whom the salesperson or broker associate functions.

(b) "Buyer" means a transferee in a real property transaction, and includes a person who executes an offer to purchase real property from a seller through an agent, or who seeks the services of an agent in more than a casual, transitory, or preliminary manner, with the object of entering into a real property transaction. "Buyer" includes vendee or lessee of real property.

(c) "Commercial real property" means all real property in the state, except (1) single-family residential real property, (2) dwelling units made subject to Chapter 2 (commencing with Section 1940) of Title 5, (3) a mobilehome, as defined in section 798.3, (4) vacant land, or (5) a recreational vehicle, as defined in Section 799.29.

(d) "Dual agent" means an agent acting, either directly or through salesperson or broker associate, as agent for both the seller and the buyer in a real property transaction.

(e) "Listing agreement" means a written contract between the seller of real property and an agent, by which the agent has been authorized to sell the real property or to find or obtain a buyer, including rendering other services for which a real estate license is required to the seller pursuant to the terms of the agreement.

(f) "Seller's agent" means a person who has obtained a listing of real property to act as an agent for compensation.

(g) Listing price" is the amount expressed in dollars specified in the listing for which the seller is willing to sell the real property through the listing agent.

(h) "Offering price" is the amount expressed in dollars specified in an offer to purchase for which the buyer is willing to buy the real property.

(i) "Offer to purchase" means a written contract executed by a buyer acting through a buyer's agent that becomes the contract for the sale of the real property upon acceptance by the seller.

(j) "Real property" means any estate specified by subdivision (1) or (2) of Section 761 in property, and includes (1) single-family residential property, (2)multiunit residential property with more than four dwelling units, (3) commercial real property, (4) vacant land, (5) a ground lease coupled with improvments, or (6) a manufactured home as defined in Section 18007 of the Health and Safety Code, or a mobilehome as defined in Section 18008 of the Health and Safety Code, when offered for sale or sold through an agent pursuant to the authority contained in Section 10131.6 of the Business and Professions Code.

(k) "Real property Transaction" means a transaction for the sale of real property in which an agent is retained by a buyer, seller, or both a buyer and seller to act in that transaction, and includes a listing or offer to purchase.

(l) "Sell," "sale," or "sold" refers to transaction for the transfer of real property from the seller to the buyer and includes exchanges of real property between the seller and buyer, transactions for the creation of a real property sales contract within the meaning of Section 2985, and transactions for the creation of a leasehold exceeding one year's duration.

(m) "Seller" means the transferor in a real property transaction and includes an owner who lists real property with an agent, whether or not a transfer results, or who receives an offer to purchase real property of which he or she is the owner from an agent on behalf of another.. "Seller" includes both a vendor and a lessor of real property.

(n) Buyer's agent" means an agent who represents a buyer in a real property transaction.

2079.14 A seller's agent and buyer's agent shall provide the seller and buyer in a real property transaction with a copy of the disclosure form specified in Section 2079.16, and shall obtain a signed acknowledgment of receipt from that seller and buyer, except as provided in this section of Section 2079.15 as follows:

(a) The seller's agent, if any, shall provide the disclosure form to the seller prior to entering into the listing agreement.

(b) The buyer's agent shall provide the disclosure form to the buyer as soon as practicable prior to execution of the buyer's offer to purchase. If the offer to purchase is not prepared by the buyer's agent, the buyer's agent shall present the disclosure form to the buyer not later than the next business day after receiving the offer to purchase from the buyer.

2079.15 In any circumstance in which the seller or buyer refuses to sign an acknowledgment of receipt pursuant to Section 2079.14, the agent shall set forth, sign and date a written declaration of the facts of the refusal.

2079.16 Disclosure Form [Intentionally Omitted].

2079.17 (a) As soon as practicable, the buyer's agent shall disclose to the buyer and seller whether the agent is acting in the real property transaction as the buyer's agent, or as a dual agent representing both the buyer and the seller. This relationship shall be confirmed in the contract to purchase and sell the real property or in a separate writing executed or acknowledged by the seller, the buyer, and the buyer's agent prior to the coincident with execution of that contract by the buyer and the seller, respectively.

(b) As soon as practicable, the seller's agent shall disclose to the seller whether the seller's agent is acting in the real property transaction as the seller's agent, or as a dual agent representing both the buyer and the seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller and the seller's agent prior to of coincident with the execution of that contract by the seller.

(c) The confirmation required by subdivisions (a) and (b) shall be in the following form:

____
(Name of Seller's Agent, Brokerage firm and license number)
is the broker of (check one):

[ ] the seller; or
[ ] both the buyer and seller. (dual agent)

____
(Name of Seller's Agent and license number)
is (check one):

[ ] is the Seller's Agent. (salesperson or broker associate)
[ ] is both the Buyer's and Seller's Agent. (dual agent)

____
(Name of Buyer's Agent, Brokerage firm and license number)
is the broker of (check one):

[ ] the buyer; or
[ ] both the buyer and seller. (dual agent)

____

(Name of Buyer's Agent and license number)
is (check one):

[ ] the Buyer's Agent. (salesperson or broker associate)
[ ] both the Buyer's and Seller's Agent. (dual agent)

(d) The disclosures and confirmation required by this section shall be in addition to the disclosure required by Section 2079.14. An agent's duty to provide disclosure and confirmation of representation in this section may be performed by a real estate salesperson or broker associate affiliated with a broker.

2079.18 Repealed by Stats. 2018, c. 907 (A.B. 1289) § 43, eff. January 1, 2019.

2079.19 The payment of compensation or the obligation to pay compensation to an agent by the seller or buyer is not necessarily determinative of a particular agency relationship between an agent and the seller or buyer. A listing agent and a selling agent may agree to share any compensation or commission paid, or any right to any compensation or commission for which an obligation arises as the result of a real estate transaction, and the terms of any such agreement shall not necessarily be determinative of particular relationship.

2079.20 Nothing in this article prevents an agent from selecting, as a condition of the agent's employment, a specific form of agency relationship not specifically prohibited by this article if the requirements of Section 2079.14 and Section 2079.17 are complied with.

2079.21 (a) A dual agent may not, without express permission of the seller, disclose to the buyer any confidential information obtained from the seller.

(b) A dual agent may not, without express permission of the buyer, disclose to the seller any confidential information obtained from the buyer.

(c) "Confidential Information" means facts relating to the client's financial position, motivations, bargaining position, or other personal information that may impact price, such as the seller is willing to accept a price less than the listing price or the buyer is willing to pay a price greater than the price offered.

(d) This section does not alter in any way the duty or responsibility of a dual agent to any principal with respect to confidential information other than price.

2079.22 Nothing in this article precludes a seller's agent from also being a buyer's agent. If a seller or buyer in a transaction chooses to not be represented by an agent, that does not, of itself, make that agent a dual agent.

2079.23 (a) A contract between the principal and agent may be modified or altered to change the agency relationship at any time before the performance of the act which is the object of the agency with the written consent of the parties to the agency relationship.

(b) A lender or an auction company retained by a lender to control aspects of a transaction of real property subject to this part, including validating the sales price, shall not require, as a condition of receiving the lender's approval of the transaction, the homeowner or listing agent to defend or indemnify the lender or auction company from any liability alleged to result from the actions of the lender or auction company. Any clause, provision, covenant, or agreement purporting to impose an obligation to defend or indemnify a lender or an auction company in violation of this subdivision is against public policy, void, and unenforceable.

2079.24 Nothing in this article shall be construed to either diminish the duty of disclosure owed buyers and sellers by agents and their associate licensees, subagents, and employees or to relieve agents and their associate licensees, subagents, and employees from liability for their conduct in connection with acts governed by this article or for any breach of a fiduciary duty or a duty of disclosure.

CONFIRMATION
AGENCY RELATIONSHIP

SELLER: Lennar Homes of California, LLC, a California limited liability company
Subject Property: Unit # 0104 of Building # ______ Tract MAP NO. 16553
Address: 808 Mateo Street, Unit 2 Chula Vista CA 91911

Lennar Sales Corp. 1252753
(Name of Seller's Agent, brokerage firm and license number)

is the broker of (check one):

- [X] the Seller; or
- [ ] both the buyer and seller. (dual agent)

Cody Brown 01997887
(Name of Seller's Agent and license number

is (check one)

- [X] the Seller's Agent(salesperson or broker associate)
- [ ] is both the Buyer's and Seller's Agent. (dual agent)

____
(Name of Buyer's Agent, brokerage firm and license number)

is the broker of (check one):

- [ ] the buyer; or
- [ ] both the buyer and seller. (dual agent)

____
(Name of Buyer's Agent and license number)

is (check one):

- [ ] the Buyer's Agent(salesperson or broker associate)
- [ ] is both the Buyer's and Seller's Agent. (dual agent)

I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS CONFIRMATION.

DocuSigned by:
Ginamarie Black
AD3857CB46DD4C8...
Buyer - Ginamarie Black
Date 3/5/2024

DocuSigned by:
Mark Black
BB4F66B9607849C...
Buyer - Mark Black
Date 3/5/2024

Buyer -
Date ______________________________

Buyer -
Date ______________________________

AMENDMENT

THIS AMENDMENT (this "**Amendment**") is executed in conjunction with and, by this reference, incorporated into the Purchase and Sale Agreement (the "**Agreement**") dated as of the seventh day of March, 2024, between Ginamarie Black, Mark Black ("**Buyer**") and Seller, as defined in the Agreement, respecting Unit 0104 of Building ______, of LUNA @ Sunbow Condominium in the community known as LUNA @ Sunbow (the "**Community**").

1. **Defined Terms**. All initially capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Amendment to the Agreement shall be deemed to include references to this Amendment and to any other addenda and riders attached to the Agreement, which are hereby incorporated by this reference.

2. The "Riders and Addenda" Section of the Agreement is hereby supplemented with the following:

> On 03/05/2024 Seller provided to Purchaser/Buyer an Affiliated Business Arrangement Disclosure Statement ("**ABAD**") that sets forth Seller's business relationships with affiliated settlement service providers, including but not limited to, Lennar Mortgage, LLC, Lennar Title, Inc., Lennar Insurance Agency, LLC, and their respective types of charges and range of charges; Buyer acknowledges and confirms receipt of the previously delivered ABAD on 03/05/2024.

3. **Counterparts**. This Amendment shall be validly executed when signed in counterpart; a complete set of which shall form a single document. Signatures may be given via electronic transmission and shall be deemed original and given as of the date and time of the transmission of this Amendment electronically to the other party.

4. **Conflicts**. In the event of any conflict between this Amendment and the Agreement, this Amendment shall control. In all other respects, the Agreement shall remain in full force and effect.

5. **Entire Agreement**. The Agreement, together with this Amendment and any other addenda and riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts, whether oral or written, are hereby superseded by these documents. No addition or modification of this Amendment or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized representative of Seller.

DocuSigned by: Ginamarie Black AD3857CB46DD4C8...	DocuSigned by: Mark Black BB4F66B9607849C...
Buyer - Ginamarie Black	Buyer - Mark Black
Date 3/5/2024	Date 3/5/2024
Buyer -	Buyer -
Date ______	Date ______

SELLER:
Lennar Homes of California, LLC, a California limited liability company
a ______

By DocuSigned by: Cody Brown 5ADE929552E44DE...
Title: Authorized Representative Cody Brown
Date Signed by Seller: 3/6/2024

Community: LUNA @ Sunbow **Phase:** 5 **Homesite:** 0104 **Tract:** MAP NO. 16553

LENNAR HOMES OF CALIFORNIA, LLC
DISCLOSURE AND BUYER ACKNOWLEDGMENT REGARDING DROUGHT AND MANDATORY WATER CONSERVATION

The undersigned Buyer ("***Buyer***") is purchasing a home in the LUNA @ Sunbow ("***Community***") built by Lennar Homes of California, LLC, a California limited liability company ("***Seller***").

The State of California has a history of severe and historic drought conditions. The State of California and many local jurisdictions and water purveyors may, from time to time, respond to the drought situation by adopting new regulations to control the amount of landscaping installed on homesites, types of landscaping installed and the design of irrigation systems used to irrigate landscaping on homesites. Future regulations could include a prohibition on using turf for new homes, requirements for the use of water efficient irrigation systems, restrictions on the frequency of watering landscaping and prohibitions on filling pools or water features, among many other potential regulations.

On April 1, 2015, November 13, 2015 and May 9. 2016, Governor Edmund G. Brown Jr. issued Executive Orders that directed the State Water Board Resources Control Board to implement mandatory water reductions in cities and towns across California to reduce potable and non-potable water usage statewide and reduce water waste, among other measures to address drought conditions. On April 7, 2017, Governor Brown lifted the drought emergency declaration, but retained prohibition on wasteful practices, and advanced measures to make conservation a way of life. California may experience drought emergencies in the future and new executive orders may be issued and/or additional water restrictions may be implemented.

Buyer's Community may be designed with various improvements and amenities that have or may be constructed by Seller that may use reasonably large amounts of potable water (e.g. pool and/or spa facilities and landscaping), and current California conservation efforts, future drought emergencies and additional water restrictions may impact the timing of construction, scale and configuration of such amenities, as well as Buyer's ability to use and enjoy these improvements and amenities within the Community. Landscaping and water usage restrictions may apply to the common areas, including landscaping corridors and open space areas, within the Community. Such restrictions could result in less or no turf used in these common areas, brown or dead turf and/or landscaping or no landscaping installed at all. Past drought conditions have caused water districts and other retail water purveyors to severely limit the water supply available for landscaping and other nonresidential usages, causing landscaping to dry up, wither or die. Due to fluctuating conditions, the amount of available potable water may be further reduced in the future, resulting in additional mandatory water usage reductions in California. The availability of potable water for improvements and/or amenities and the duration of the mandatory water reductions are outside of Seller's control. Buyer should contact the local water purveyor and local governmental agency (city or county) for Buyer's Community in order to obtain more information.

Past drought conditions have also led to restrictions on the types of landscaping material and fixtures that may be installed within a homesite. Model homesites within the Community may depict water intensive landscaping (e.g. turf) and fixtures that Seller installed in the Model homesite(s) that may not be permissible due to conservation efforts or drought conditions. Due to mandatory water reductions and any mandatory landscaping restrictions that may be imposed, Seller may not be able to install the same or similar landscaping materials (including lawns) and/or fixtures in Buyer's Homesite that are shown in the Model homesite(s).

Seller has installed the landscaping on Buyer's Homesite in compliance with the standards in effect at the time Buyer's Homesite was constructed. Because of conservation efforts and future drought conditions, there may be current and new restrictions adopted in Buyer's Community that could impact Buyer's ability to adequately irrigate Buyer's existing landscaping, to add new landscaping (including turf) and construct pools, fountains or water features. Buyer is strongly encouraged to contact Buyer's water purveyor and local governmental agency (city or county) in which Buyer's Homesite is located to inquire about the restrictions on landscaping, irrigation, fixtures and other drought related restrictions that could impact Buyer's use and enjoyment of Buyer's Homesite.

Buyer is advised that the mandatory water usage reduction (and any additional water usage reductions in the future) may deprive Buyer of the use and enjoyment of some or all of the improvements and amenities within the Community (including, but not limited to, pools and spas) for substantial periods of time. Further, any mandatory water usage reduction (and any future water usage reductions) may have a negative impact on the landscaping on Buyer's Homesite and in the common areas or other homesites within the Community. The homeowners' association may be required to significantly limit watering of landscaping within the common areas. In addition, Buyer may not be able to replace landscaping that dries up, withers or dies on Buyer's Homesite with the same or similar landscaping material originally installed by Seller, and may be required to install alternate drought friendly landscaping material on Buyer's Homesite while drought restrictions are in effect.

Seller is not obligated to restore any landscaping that may have dried out, withered or died as a result of such mandatory water usage reductions. Buyer will be responsible to replace any landscaping within Buyer's Homesite that has deteriorated. Additionally, Buyer may be subject to a special assessment(s) to fund the cost of replacement of any such dried out, withered or dead landscaping in the common areas.

Community: **LUNA @ Sunbow** **Phase:** **5** **Homesite:** **0104** **Tract:** **MAP NO. 16553**

Buyer has received and read a copy of this Disclosure, and understands and acknowledges that Buyer has considered the possible effect of that conservation efforts, drought conditions and mandatory water usage reduction(s) may have on Buyer's Homesite as well as other homesites and the Community as a whole before deciding whether to purchase Buyer's Homesite.

DocuSigned by:
Ginamarie Black
AD3857CB46DD4C8...
Buyer - Ginamarie Black
Date 3/5/2024

DocuSigned by:
Mark Black
BB4F66B9607849C...
Buyer - Mark Black
Date 3/5/2024

Buyer -
Date

Buyer -
Date

Tract MAP NO. 16553, Lot/Unit No. 0104

Community LUNA @ Sunbow Phase 5 Lot 0104
Homesite 808 Mateo Street, Unit 2, Chula Vista, CA 91911

CLOSING COSTS ADDENDUM

THIS CLOSING COSTS ADDENDUM (this "**Addendum**") is executed in conjunction with and, by this reference, incorporated into the Purchase Agreement and Deposit Receipt and Escrow Instructions (the "**Purchase Agreement**") dated as of the seventh day of March, 2024, between Ginamarie Black, Mark Black (collectively, "**Buyer**") and Seller, as defined in the Purchase Agreement, respecting Lot/Unit No. 104 of Building No. ______ of Tract No. MAP NO. 16553 in the City/County of San Diego, State of California, in the community known as 808 Mateo Street, Unit 2 (the "**Property**").

1. **Defined Terms**. All initially capitalized terms not defined herein shall have the meanings set forth in the Purchase Agreement, and all references in this Addendum to the Purchase Agreement shall be deemed to include references to this Addendum and to any other addenda and riders to the Purchase Agreement, which are hereby incorporated by this reference.

2. **CLOSING COSTS**. Buyer and Seller hereby agree that Buyer shall provide Escrow Holder with sums sufficient to pay for any and all title insurance policies and any title endorsements required by Buyer's Lender, to pay for recording the Grant Deed, the County documentary transfer tax, and, if applicable, the city documentary transfer tax, costs of the credit report, tax service, loan fees, impounds as may be required by the Lender, prorations as described in the Purchase Agreement, monthly assessments for the first month after Close of Escrow, initial capital contribution (if required), and all Escrow Fees associated with this Escrow. Escrow Holder is authorized to pay any encumbrances necessary to place title in the condition called for in Paragraph 6 of the Purchase Agreement and Seller will hand Escrow Holder any funds or instruments required for such purpose.

3. **Counterparts**. This Addendum shall be validly executed when signed in counterpart; a complete set of which shall form a single document. Signatures may be given via electronic transmission and shall be deemed original and given as of the date and time of the transmission of this Addendum electronically to the other party.

4. **Conflicts**. In the event of any conflict between this Addendum and the Purchase Agreement, this Addendum shall control. In all other respects, the Purchase Agreement shall remain in full force and effect.

5. **Entire Agreement**. The Purchase Agreement, together with this Addendum and any other addenda or riders to the Purchase Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts, whether oral or written, are hereby superseded by these documents. No addition or modification of this Addendum or the Purchase Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

DocuSigned by: Ginamarie Black AD3857CB46DD4C8...	DocuSigned by: Mark Black BB4F66B9607849C...
Buyer - Ginamarie Black	Buyer - Mark Black
Date 3/5/2024	Date 3/5/2024
Buyer -	Buyer -
Date	Date

SELLER: Lennar Homes of California, LLC, a California limited liability company

DocuSigned by: Cody Brown
5ADE929552E44DE...
Authorized Agent of Seller - Cody Brown
Date 3/6/2024

ELECTION FORM ADDENDUM

THIS ELECTION FORM ADDENDUM (this "**Addendum**") is executed in conjunction with and, by this reference, incorporated into the Purchase Agreement and Deposit Receipt and Escrow Instructions (the "**Purchase Agreement**") dated as of the seventh day of March, 2024, between Ginamarie Black, Mark Black (collectively, "**Buyer**") and Seller, as defined in the Purchase Agreement, respecting Unit No. 0104 of Building No. 7B of Tract No. MAP NO. 16553 in the City/County of Chula Vista / San Diego, State of California, in the community known as LUNA @ Sunbow (the"**Property**").

1. **Defined Terms**. All initially capitalized terms not defined herein shall have the meanings set forth in the Purchase Agreement, and all references in this Addendum to the Purchase Agreement shall be deemed to include references to this Addendum and to any other addenda and riders to the Purchase Agreement, which are hereby incorporated by this reference.

2. **Affiliated Business**. Seller has given Buyer notice in the Affiliated Business Arrangement Disclosure Statement that Seller has business relationships with Lennar Mortgage, LLC ("**Lennar Mortgage**"), Lennar Title, Inc. ("**Lennar Title**"), Doma Title Insurance, Inc. and Opendoor Labs, Inc. Buyer understands and acknowledges that if Buyer elects to use Lennar Title, Lennar Title may issue title insurance through various underwriters including Doma Title Insurance, Inc. Buyer is hereby informed that Buyer is not obligated to use an affiliated business of Seller as a condition to the sale of the Property.

3. **Incentives for Use of Affiliated Business**.

3.1 By checking one of the boxes below and initialing below the selected text, Buyer hereby selects the lender and title company that Buyer will use in connection with the purchase of the Property.

3.1.1 ☐ Buyer elects to use both Lennar Mortgage (or such other lender named on the Approved Lender Addendum) and Lennar Title.

3.1.2 ☐ Buyer elects to use Lennar Mortgage (or such other lender named on the Approved Lender Addendum) as its lender, but elects to use a title company other than Lennar Title.

3.2 If Buyer selects option 3.1.1 or 3.1.2 above, Buyer will receive the following (each, an "**Incentive**").

3.2.1 [X] At Closing Seller will contribute up to $5,000.00 towards Buyer's Closing Costs.

Buyer's entitlement to the Incentive(s) is contingent upon Buyer's use of Lennar Mortgage (or such other lender named on the Approved Lender Addendum). The Incentive(s) shall be applied to costs in an order determined by Seller in its sole discretion. Buyer may change Buyer's election at a later date (e.g., elect to use Lennar Mortgage (or such other lender named on the Approved Lender Addendum) or a different title company). The foregoing Incentive(s) is subject to the Property closing on or before 07/09/2024; such date may be extended at Seller's sole discretion.

3.3 If Buyer selects option 3.1.2 above, should Buyer's title company delay the close of escrow, upon request of Buyer, Seller may, at Seller's sole discretion, grant an extension of time for Buyer to close escrow ("**Escrow Extension**"). In exchange for the Escrow Extension, Buyer shall pay to Seller an amount equal to one (1) percent of the Purchase Price per month in advance as carrying costs for the Property ("**Escrow Extension Payment**"). The Escrow Extension Payment will be pro rated on a daily basis at the close of escrow.

4. **Counterparts**. This Addendum shall be validly executed when signed in counterpart; a complete set of which shall form a single document. Signatures may be given via electronic transmission and shall be deemed original and given as of the date and time of the transmission of this Addendum electronically to the other party.

5. **Conflicts**. In the event of any conflict between this Addendum and the Purchase Agreement, this Addendum shall control. In all other respects, the Purchase Agreement shall remain in full force and effect.

6. **Entire Agreement**. The Purchase Agreement, together with this Addendum and any other addenda or riders to the Purchase Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts, whether oral or written, are hereby superseded by these documents. No addition or modification of this Addendum or the Purchase Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized representative of Seller.

DocuSigned by:
Ginamarie Black
AD3857CB46DD4C8...
Buyer - Ginamarie Black
Date 3/5/2024

DocuSigned by:
Mark Black
BB4F66B96078 49C...
Buyer - Mark Black
Date 3/5/2024

Buyer -
Date

Buyer -
Date

SELLER:
Lennar Homes of California, LLC, a California limited liability company
a

DocuSigned by:
By Cody Brown
5ADE929552E44DE...
Title: Authorized Representative Cody Brown
Date Signed by Seller: 3/6/2024

Community: LUNA @ Sunbow **Phase: 5** **Homesite: 0104** **Tract: MAP NO. 16553**

ENERGY ADDENDUM

THIS ENERGY ADDENDUM (this "**Addendum**") is delivered in conjunction with and, by this reference, incorporated into the Purchase and Sale Agreement and Deposit Receipt and Escrow Instructions (the "**Purchase Agreement**") dated seventh day of March, 2024, between Ginamarie Black, Mark Black (collectively, "**Buyer**") and Seller, as defined in the Purchase Agreement, respecting Lot/Unit No. 0104 of Building No. 7B Tract No. MAP NO. 16553, in the City/County of Chula Vista / San Diego, State of California, in the community known as LUNA @ Sunbow (the"**Property**").

1. **Defined Terms**. All initially capitalized terms not defined herein shall have the meanings set forth in the Purchase Agreement, and all references in this Addendum to the Purchase Agreement shall be deemed to include references to this Addendum and to any other addenda and riders attached to the Purchase Agreement, which are hereby incorporated by this reference.

2. **Energy Claims**. In the marketing of the Home, certain verbal or written statements may have been made, including but not limited to statements contained in advertising and marketing material, relating to the energy efficiency, energy consumption, energy savings or energy costs of the Home. Buyer acknowledges that any such statements were estimates only and were developed by third parties based upon the design of the Home and/or various indices. Actual Home energy savings will vary due to, among numerous other factors, construction variances, floor plan, occupancy, appliance usage, thermostat settings, weather conditions, maintenance and orientation of the home. Seller provides no guarantee of savings that will be achieved by each homeowner.

3. **HERS Index**. Based on an analysis of the home's plans, a third party Home Energy Rater uses an energy efficiency software package to perform an energy analysis of the home's design. This analysis yields a projected, pre-construction HERS (Home Energy Rating System) Index. The HERS Index is a scoring system established by the Residential Energy Services Network (RESNET) in which a home built to the specifications of the HERS Reference Home (based on the 2006 International Energy Conservation Code) scores a HERS Index of 100, while a net zero energy home scores a HERS Index of 0. The lower a home's HERS Index, the more energy efficient it is in comparison to the HERS Reference Home. Each 1-point decrease in the HERS Index corresponds to an estimated 1% increase in energy efficiency compared to the HERS Reference Home. For any home with a HERS Index rating, the Buyer understands and agrees that the rating is not to be construed as a guarantee of energy savings or consumption levels. Seller makes no representations or warranties regarding the accuracy of the HERS Index.

4. **Certification Program**. In connection with the sale of the Home, Seller may have used a third party to certify that the Home was designed to certain guidelines ("**Certification Program**"). Seller makes no representations or warranties regarding any aspect of the Certification Program. Buyer acknowledges that the third party estimate is based upon analytical methods and not necessarily testing of the Home.

5. **Counterparts**. This Addendum may be executed in counterparts, a complete set of which shall form a single Addendum.

6. **Conflicts**. In the event of any conflict between this Addendum and the Purchase Agreement, this Addendum shall control. In all other respects, the Purchase Agreement shall remain in full force and effect.

7. **Entire Agreement**. The Purchase Agreement, together with this Addendum and any other addenda and riders to the Purchase Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts, whether oral or written, are hereby superseded by these documents. No addition or modification of this Addendum or the Purchase Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

DocuSigned by:
Ginamarie Black
AD3857CB46DD4C8...
Buyer - Ginamarie Black
Date 3/5/2024

DocuSigned by:
Mark Black
BB4F66B9607849C...
Buyer - Mark Black
Date 3/5/2024

Buyer -
Date

Buyer -
Date

SELLER: Lennar Homes of California, LLC, a California limited liability company

DocuSigned by:
Cody Brown
5ADE929552E44DE...
Authorized Agent of Seller - Cody Brown
Date 3/6/2024

INDOOR ENVIRONMENTAL QUALITY DISCLOSURE

THIS INDOOR ENVIRONMENTAL QUALITY DISCLOSURE (this "**Disclosure**") is executed in conjunction with and, by this reference, incorporated into the Purchase Agreement and Deposit Receipt and Escrow Instructions (the "**Purchase Agreement**") dated Seventh day of March, 2024, between Ginamarie Black, Mark Black (collectively, "**Buyer**") and Seller, as defined in the Purchase Agreement, respecting Unit No. 0104 of Building No. 7B Tract No. MAP NO. 16553, in the City/County of Chula Vista / San Diego, State of California, in the community known as LUNA @ Sunbow (the"**Property**").

1. **Defined Terms**. All initially capitalized terms not defined herein shall have the meanings set forth in the Purchase Agreement, and all references in this Disclosure to the Purchase Agreement shall be deemed to include references to this Disclosure and to any other disclosure and/or addenda and riders attached to the Purchase Agreement, which are hereby incorporated by this reference.

2. **Indoor Environmental Contaminates**. There are many different types of indoor environmental contaminates, including, but not limited to, pet dander, dust mites and mold. Molds and other potential contaminants have been a part of our environment for millions of years. Contaminants are everywhere, indoors and outdoors. Therefore, everyone is exposed to some contaminants on a daily basis without evident harm. Due to a number of factors, including the fact that sensitivities to various types of molds and other potential contaminants vary from person to person, there are no state or federal standards concerning acceptable levels of exposure to mold. According to the Consumer Product Safety Commission and the American Lung Association, some diseases or illness have been linked with biological pollutants in the indoor environment, including some forms of mold. However, many of these conditions also have causes unrelated to the indoor environment. Therefore, it is unknown how many potential health problems relate exclusively to poor indoor air. Buyer should determine for himself/herself whether Buyer, Buyer's family members or any other individuals who will occupy or use the home have special needs or increased risk to these conditions. Buyer should carefully monitor the conditions in the Home for mold growth and other contaminants.

When excessive moisture or water accumulates indoors, mold growth can and will occur, particularly if the moisture problem remains unaddressed. There is no practical way to eliminate all molds or mold spores in an indoor environment. The key to controlling indoor mold growth is to control moisture.

There are many ways to help control moisture in and beneath the Home. The U.S. Environmental Protection Agency, the Consumer Product Safety Commission, the American Lung Association and others recommend taking measures such as those listed below to help control moisture in and beneath the Home. The following list is not meant to be all-inclusive.

Fix leaking plumbing and any other source of unwanted water immediately.

Maintain proper indoor humidity. Equipment that conditions the air, such as air conditioners, humidifiers and ventilation systems must be operated year round.

Raise the temperature in areas where moisture condenses on surfaces and open doors between rooms to increase air circulation in the home, including doors to closets.

Have major appliances, such as furnaces, heat pumps, central air conditioners, window air conditioning units, ventilation systems and furnace attached humidifiers inspected, cleaned and serviced regularly by a qualified professional.

Clean and dry refrigerator, air conditioner and dehumidifier drip pans and filters regularly and make sure that your refrigerator and freezer doors seal properly.

Keep water away from your foundation by maintaining required slopes, drainage and keeping plantings and sprinklers the proper distance from the Home.

If you have a sump pump, inspect it regularly to ensure that it is properly operating.

If you have a crawl space or structural sub-floor, inspect the ground beneath your floor on a regular basis to make sure there is no standing or excessive water. If there is standing or excessive water, seek professional assistance to remove the water. If Buyer is are interested in finishing the basement, only do so after consulting an expert to determine the suitability of the basement for a finished area.

The following are suggestions that may assist Buyer in preventing and addressing mold growth in the Home.

o It is important that Buyer responds promptly when Buyer see signs of moisture or mold.

o Do not allow moisture to stand or make contact with carpet, furniture and cellulose-based materials, such as wood, drywall or other non-tile, non-plastic or non-metal materials.

Dry all water damaged areas and items immediately to prevent mold growth.

o If mold develops, clean up the mold by washing off hard surfaces with detergent and water and completely dry the surface.

o Depending upon the nature and extent of the mold infestation, trained professionals may be needed to assist in the remediation effort.

Mold that is not properly and adequately removed may reappear.

Proper maintenance and cleaning of the home is the responsibility of each homeowner and will lessen the potential for water intrusion and help to control indoor environmental contaminants. Further, it is the responsibility of each homeowner to monitor their home on a continual basis for excessive moisture, water and mold accumulation. If Buyer discovers accumulation of water or moisture in, around or under the Home, Buyer should immediately seek to control the source of the water or moisture. Failing to control the source could result in additional damage and the growth of mold. Plumbing leaks and water penetrations that are covered by the Limited Warranty during the term of the Limited Warranty must be reported to Seller immediately. If the Limited Warranty has expired or does not cover the specific problem, Buyer should not delay in having professionals address the problem. Seller will not be responsible for, and Buyer agrees to indemnify and hold harmless Indemnified Parties from and against all Claims in connection with, water-related damages, including personal injuries or property damage caused by mold, but only to extent that the damages are caused by (A) Buyer's negligence, (B) Buyer's failure to promptly take appropriate corrective measures and minimize any damages caused by the water or moisture, or (C) Buyer's failure to promptly provide Seller with notice of the water or moisture and give Seller an opportunity to dry the water or moisture and remediate, if necessary, any moisture conditions in the Home caused by improper construction.

3. **Counterparts**. This Disclosure may be executed in counterparts, a complete set of which shall form a single Disclosure.

4. **Conflicts**. In the event of any conflict between this Disclosure and the Purchase Agreement or any other addenda and/or riders, this Disclosure shall control. In all other respects, the Purchase Agreement shall remain in full force and effect.

5. **Entire Agreement**. The Purchase Agreement, together with this Disclosure and any other addenda and riders to the Purchase Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Disclosure or the Purchase Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

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SELLER: Lennar Homes of California, LLC, a California limited liability company

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Authorized Agent of Seller - Cody Brown
Date 3/6/2024

INSULATION AND SMOKE DETECTORS ADDENDUM

THIS INSULATION AND SMOKE DETECTORS ADDENDUM (this "**Addendum**") is executed in conjunction with and, by this reference, incorporated into the Purchase Agreement and Deposit Receipt and Escrow Instructions (the "**Purchase Agreement**") dated as of the seventh day of March, 2024, between Ginamarie Black, Mark Black (collectively, "**Buyer**") and Seller, as defined in the Purchase Agreement, respecting Unit No. 0104 of Building No. 7B Tract No. MAP NO. 16553, in the City/County of Chula Vista / San Diego, State of California, in the community known as LUNA @ Sunbow (the"**Property**").

1. **Defined Terms**. All initially capitalized terms not defined herein shall have the meanings set forth in the Purchase Agreement, and all references in this Addendum to the Purchase Agreement shall be deemed to include references to this Addendum and to any other addenda and riders attached to the Purchase Agreement, which are hereby incorporated by this reference.

2. **Insulation**. Pursuant to Title 16, Chapter I, Section 460.16 of the Code of Federal Regulations, the insulation that is or will be installed in the Home is as follows and will, according to the manufacturer, yield the R-values stated:

Location	Type	Thickness	R-Value
Exterior Walls	Gypsum Board	2x4 @ 16in.	R-13
Interior Walls	Gypsum Board	2x4 @ 16 in.	R-13
Attic Roofs	Asphalt Shingle	2x4 @ 24 in.	R-0
Ceilings	Gypsum Board	2x4 @ 24 in.	R-19
Garage Roof	Asphalt Shingle	2x12 @ 24 in.	R-0

If so indicated above, fiberglass (also known as glass wool) is/will be used for insulation in the Home. The U.S. Department of Health and Human Services ("**HHS**") has listed fiberglass as a substance "which may reasonably be anticipated to be a carcinogen." This listing identifies substances selected for further study because of their potential carcinogenic risk but is not an assessment by HHS that there is a causal connection between fiberglass and human cancer. The listing does not establish that fiberglass presents a risk to persons in their daily lives.

3. **Smoke Detectors**. Pursuant to California Health and Safety Code Section 13113.8(b), Seller hereby certifies that at the Close of Escrow, the Property will be in compliance with California Health and Safety Code Section 13113.8 by having operable smoke detector(s) which are approved, listed and installed in accordance with the State Fire Marshall's regulations and applicable local standards.

4. **Counterparts**. This Addendum may be executed in counterparts, a complete set of which shall form a single Addendum.

5. **Conflicts**. In the event of any conflict between this Addendum and the Agreement, this Addendum shall control. In all other respects, the Agreement shall remain in full force and effect.

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SELLER: Lennar Homes of California, LLC, a California limited liability company

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Authorized Agent of Seller - Cody Brown
Date 3/6/2024

GENERAL PROVISIONS

1. **DEPOSIT AND DISBURSEMENT OF FUNDS**

Unless directed in writing to establish a separate, interest-bearing account together with all necessary taxpayer reporting information, all funds received in this escrow shall be deposited with other escrow funds in general escrow accounts in a federally insured financial institution ("depositories"). As a result of Lennar Title, Inc. ("Lennar Title") maintaining its general escrow accounts with the depositories, Lennar Title may receive certain financial benefits such as an array of bank services, accommodations, loans or other business benefits from the depositories ("collateral benefits"). All collateral benefits shall accrue to the sole benefit of Lennar Title and Lennar Title shall have no obligation to account to the parties to this escrow for the value of any such collateral benefits. Any such collateral benefits shall be deemed additional compensation earned by Lennar Title for its services as Escrow Holder.

2. **FUNDS TO CLOSE**

The Good Funds Law (California Insurance Code Section 12413.1) mandates that Lennar Title may not disburse funds until the funds are, in fact, available in Lennar Title's account. Lennar Title shall not be responsible for any financial consequences resulting in a delayed closing if funds received by Lennar Title are not available for immediate withdrawal.

Under Section 12413.1 of the California Insurance Code, Lennar Title may only make funds available for disbursement in accordance with the following rules:

Same day availability. Disbursement on the date of deposit is allowed only when funds are deposited to Lennar Title, Inc. by Cash or Electronic Transfer (Wire). ***FRAUD WARNING***: Lennar Title will require independent confirmation for any written instructions, amendments, or revisions thereto, from Buyer or Seller relating to wires. If you receive wire instructions from v that deviate from wire information you have previously received or been given by Lennar Title, please contact your Lennar Title settlement officer immediately.

Next business day availability. If funds are deposited by cashier's checks, certified checks or teller's checks, disbursement may be on the next business day following deposit. A "teller's check" is one drawn by an insured financial institution against another insured financial institution (e.g., a savings and loan funding with a check drawn against a FDIC insured bank). An Official Check is not a Cashier's Check unless it meets the statutory requirements of a Cashier's Check. It is the parties' responsibility to determine their Bank's check procedure and whether their Bank is able to provide a proper check to afford next day availability. Failure to do so may result in delay of close of escrow.

Second business day availability. If the deposit is made by checks other than those described above, disbursement may occur on the day when funds must be made available to depositors under Federal Reserve Regulation CC. In most cases, this will be the second business day following deposit. (For further details, consult California Insurance Code Section 12413, et seq. and Regulation CC).

These are the minimum periods before funds will be made available. Lennar Title is not obligated to disburse funds at the expiration of the time periods above, and expressly reserves the right to require additional time or another form of deposit before disbursing on deposited funds. Close of escrow and final disbursement will not be made based on deposits in the form of personal checks, corporate checks, credit union checks, money market checks, travelers checks and official checks until confirmation of final clearance of the funds. If any check submitted to Lennar Title is dishonored upon presentment for payment, Lennar Title is authorized to notify all principals and/or their respective agents of such nonpayment.

LENNAR TITLE WILL NOT ACCEPT ACH TRANSFERS. Cash will be accepted only under special circumstances and upon approval by management.

3. **REISSUANCE OF CHECKS**

In the event any check(s) issued through the escrow or sub-escrow process are uncashed or unnegotiated ("uncashed") for a period of 120 days after Lennar Title's original issuance of such check(s), Lennar Title is authorized and instructed to cancel such check(s) and reissue to the same payee(s) at a charge of $25.00 per check. If the original canceled check is in an amount of $25 or less, then Lennar Title is authorized and instructed to charge and pay to itself as its fee the entire amount of the check as canceled. If any reissued check remains uncashed for a period of 120 days, Lennar Title is authorized and instructed to process the remaining funds for escheatment to the State of California, in accordance with Lennar Title's customary escheatment procedures.

4. **CLOSE OF ESCROW**

The phrase "close of escrow" (or "COE" or "CE") means the date on which documents are recorded, unless otherwise specified.

5. **PRORATION, ADJUSTMENTS AND DEMANDS**

Unless otherwise specified in writing, all prorations or adjustments are to be made as of close of escrow on the basis of a thirty (30) day month. Lennar Title is to use the information contained in the latest available real property tax statement (without regard to any reassessments or subsequent changes), rental statement(s) provided by the seller, beneficiary's statement(s), fire insurance policy(ies) delivered into escrow for the prorations provided for herein, without any obligation to verify the accuracy of such information.

6. **SUPPLEMENTAL TAXES**

The parties acknowledge that the property may be reassessed as a result of a change in ownership or completion of construction. Such reassessment may result in an increase or decrease in the amount of annual property taxes based on the new property value, and also may result in supplemental taxes being assessed for the current year.

The parties instruct Lennar Title to: (1) prorate taxes between buyer and seller based on the latest available general tax bill, unless the parties provide a different basis for the proration in writing to Lennar Title; (2) pay all outstanding taxes assessed for prior years, including supplemental taxes, from seller's proceeds, unless instructed otherwise in writing; and (3) prorate supplemental taxes which affect the current year between buyer and seller. Adjustments due either party based on the actual new tax bill issued after close of escrow or a supplemental tax bill will be made by the parties outside of escrow and Lennar Title is released of any liability in connection with such adjustments.

In the event there is a "negative" supplemental tax bill that results in a decrease in the current taxes, the undersigned parties are aware that a refund in whole or in part may be issued by the county tax collector directly to the seller. Any dispute or claim between the parties as a result of such a refund shall be handled between buyer and seller directly, and without involvement of Lennar Title. If the transaction involves a short sale, the parties instruct Lennar Title to send any refund of the property taxes paid by the seller to the short sale lender/beneficiary of the first deed of trust.

The parties agree that Lennar Title is not responsible for determining the potential for any reassessment or supplemental taxes and understand that no funds will be held in escrow to address any potential increase or additional amounts owed. The undersigned release Lennar Title from any claim or liability relating to taxes resulting from a reassessment, supplemental taxes, and any refund or credit of taxes by the County Assessor to one party or the other.

7. **PREPARATION AND RECORDATION OF INSTRUMENTS**
Lennar Title is authorized to prepare, obtain, record and deliver the necessary documents to implement the terms and conditions of this escrow and to order the policy of title insurance to be issued at close of escrow as called for in these instructions. Recording fees may include charges for services performed by Lennar Title in addition to an estimate of payments to be made to governmental agencies.

8. **CHANGE OF OWNERSHIP**
Revenue and Taxation Code Section 480.3 requires that Grantee or Transferee complete a Preliminary Change of Ownership Report (PCOR) for all deeds and other documents which reflect a change in ownership of real property. If a fully completed and executed PCOR is not handed to Lennar Title for submission to the County in which the property is located, Lennar Title shall close escrow and charge the responsible party any additional fee incurred for recording the documents without the PCOR. Lennar Title shall not be responsible for the failure of Grantee or Transferee, before and/or after the close of escrow, to fully comply with the County's requirements and other requests in connection with the change in ownership of the property.

9. **FIRE, FLOOD AND HAZARD INSURANCE**
Except as otherwise instructed by the undersigned, Lennar Title is neither to be concerned with nor make any inquiry as to any fire, flood, hazard and other liability insurance.

10. **POSSESSION AND UTILITIES ISSUES**
The parties hereto shall be responsible for transferring physical possession of the subject property and exchanging non-escrow or title related documents pertaining to the property without Lennar Title's involvement or liability therefor.

The transfer of utilities, water, and garbage service, or any interruption or cancellation thereof, is to be settled between the parties directly and outside of escrow, and the parties instruct Lennar Title to close escrow without obtaining information regarding the amount of fees, whether delinquent or pending, for such service, or allocating payment between the parties hereto. The parties acknowledge that Lennar Title shall not be responsible for any payment whatsoever for these services, whether delinquent or current, assessed or not assessed as a lien against the property or included in a secured property tax roll, and hereby release and hold harmless Lennar Title and its underwriter, from any liability associated with these issues.

11. **COMMUNICATIONS AND NOTICES**
All written notices, communications, changes in instructions and documents intended for Lennar Title are required to be delivered by mail, personal delivery, facsimile or electronic media to the Lennar Title office handling this transaction. The parties instruct Lennar Title to rely upon such documents, including those transmitted by facsimile or electronic media, as if they were an originally executed document, and agree to provide Lennar Title with original documents if so requested. Lennar Title may withhold documents and/or funds due to the party until such originals are delivered. The parties acknowledge that documents to be recorded must contain original, notarized signatures, and that non-receipt of the original document(s) may delay the close of escrow.

The parties authorize Lennar Title to deliver any communications, notices or documents prior to close of escrow to the addresses shown below or to their real estate broker(s) or agent(s), attorney(s) and/or accountant(s) involved in this transaction upon their request. Upon close of escrow, the parties instruct Lennar Title to deliver any documents, balances and statements due the undersigned by U.S. mail to the addresses shown below, unless otherwise directed.

12. **AGREEMENT TO REIMBURSE ESCROW HOLDER**
Lennar Title is authorized, without the need for further approval, to debit the account of the responsible party for any fees and charges to be paid in connection with this escrow, and for any amounts that such party is obligated to pay to the holder of any lien or encumbrance to establish the title as insured by the policy of title insurance called for in these instructions. If for any reason the responsible party's account is not debited for such amounts at the time

of closing, the responsible party agrees to pay them immediately upon demand, or to reimburse any other person or entity who has paid them.

In the event that any party receives funds or is credited with funds to which said party is not entitled, said party agrees, upon Lennar Title's written demand, to return any such funds to the proper party entitled thereto or to Lennar Title for disbursement to the rightful party. If legal action is brought to compel reimbursement or the return of any such funds, said party agrees to reimburse Lennar Title for reasonable legal fees and expenses.

13. **GOVERNMENTAL REPORTING, WITHHOLDING AND DISCLOSURE REQUIREMENTS**
The parties are advised to seek independent advice concerning the tax consequences of this transaction, including but not limited to, their withholding, reporting, and disclosure obligations. Lennar Title does not provide tax or legal advice and the parties agree to hold Lennar Title harmless from any loss or damage that the parties may incur as a result of their failure to comply with federal and/or state tax laws.

(a) TAXPAYER IDENTIFICATION NUMBER REPORTING
Federal law requires v to report seller's social security number or tax identification number (collectively referred to as the "TIN"), forwarding address, and the gross sales price to the Internal Revenue Service ("IRS"). To comply with the USA PATRIOT Act, certain taxpayer identification information (including, but not limited to, the TIN) may be required by Lennar Title from certain persons or entities involved (directly or indirectly) in the transaction prior to closing. The parties acknowledge that escrow cannot close or documents recorded until the information is provided and certified as to its accuracy to Lennar Title. The parties agree to promptly obtain and provide such information as requested by Lennar Title, and authorize Lennar Title to make such reporting it deems necessary.

(b) TAXPAYER IDENTIFICATION DISCLOSURE
Federal and state laws require that certain forms include a party's TIN and Lennar Title is hereby authorized to release such forms to the applicable governmental authority. The parties agree to hold Lennar Title harmless against any fees, costs, or judgments incurred and/or awarded due to the release of their TIN as authorized above.

(c) FEDERAL AND STATE WITHHOLDING AND REPORTING
Certain federal reporting and withholding requirements exist for real estate transactions where the seller (transferor) is a non-resident alien, a non-domestic corporation, partnership, or limited liability company, or a domestic corporation, partnership or limited liability company controlled by non-residents, or non-resident corporations, partnerships or limited liability companies.

In accordance with Revenue & Taxation Code Section 18662, a buyer may be required to withhold an amount equal to 3 1/3% (.0333) of the sale price, or an alternative withholding calculation amount certified by the seller in the case of a disposition of California real property interest by either: (1) a seller who is an individual, trust, estate, or when the disbursement instructions authorize the proceeds to be sent to a seller's financial intermediary; or (2) a corporate or partnership seller who has no permanent place of business in California immediately after the transfer of title to the California property. The buyer may become subject to penalty for failure to withhold. The penalty is an amount equal to the greater of 10% of the amount required to be withheld or five hundred dollars ($500). However, notwithstanding any other provision included in the California statutes referenced above, no buyer is required to withhold any amount or be subject to penalty for failure to withhold if: (1) the sale price of the California real property does not exceed one hundred thousand dollars ($100,000); (2) the seller executes a written certificate under the penalty of perjury certifying that the seller is a corporation or a partnership with a permanent place of business in California; or (3) the seller, who is an individual, trust, estate, or a corporation without a permanent place of business in California, executes a written certificate under the penalty of perjury of any of the following: (a) the California real property being sold is the seller's or decedent's principal residence (within the meaning of Section 121 of the Internal Revenue Code (IRC)); (b) the last use of the property being sold was by the transferor as the transferor's principal residence (within the meaning of IRC Section 121); (c) the California real property is, or will be, exchanged for property of like-kind (within the meaning of IRC Section 1031) but only to the extent of the amount of gain not required to be recognized for California income tax purposes under IRC Section 1031; (d) the California real property has been compulsorily or involuntarily converted (within the meaning of IRC Section 1033) and the seller intends to acquire property similar or related in service or use so as to be eligible for nonrecognition of gain for California income tax purposes under IRC Section 1033; or (e) the California real property transaction will result in a loss or net gain not required to be recognized for California income tax purposes.

Seller is subject to penalties for knowingly filing a fraudulent certificate for the purpose of avoiding the withholding laws. FTB may grant reduced withholding and waivers from withholding on a case-by-case basis for corporations or other entities.

For additional information regarding California withholding, contact the Franchise Tax Board at (toll free) 888-792-4900), or by e-mail at urws@ftb.ca.gov or visit their website at www.ftb.ca.gov.

Failure to withhold and transmit the amount(s) required by these laws may result in penalties against buyer and/ or seller. Withholding obligations are the exclusive obligations of the parties. The parties agree that Lennar Title shall have no liability, obligation or responsibility with respect to such withholding requirements, and release Lennar Title from any liability with respect to same.

14. **CANCELLATION OF ESCROW**
Any principal requesting that Lennar Title cancel this escrow shall deliver, send or provide notice of such demand to Lennar Title in writing. Unless written objection to such notice of demand to cancel is delivered, sent or provided to Lennar Title within twenty (20) calendar days after the date of the demand to cancel, Lennar Title is authorized to cancel this escrow. Lennar Title, at its discretion, may nonetheless require mutual cancellation instructions. In the event this escrow is deemed cancelled, Lennar Title is authorized to return the documents to the party depositing same and may return lender's documents and/or funds upon lender's demand. If written objection to cancellation is delivered to Lennar Title, Lennar Title shall hold all funds and instruments in this escrow and take no further action until it is in receipt of mutual, non- conflicting written instructions signed by all parties or upon entry of a final order of a court of competent jurisdiction. If no action is taken in this escrow for any six (6) month period, this escrow shall be deemed cancelled and Lennar Title shall be entitled to resign as Escrow Holder without further liability or notice to the parties, In the event of cancellation of this escrow, whether at the request of any of the principals or otherwise, the fees and charges due Lennar Title, including expenditures incur by Lennar Title on behalf of and/or authorized, shall be borne equally by the parties or as may be determined by a court of competent jurisdiction.

15. **CONFLICTING INSTRUCTIONS AND DISPUTES**
If Lennar Title becomes aware of any conflicting demands or claims concerning this escrow, Lennar Title shall have the right to discontinue all further acts on Lennar Title's part until the conflict is resolved to Lennar Title's satisfaction (subject to the provisions pertaining to cancellation of escrow, Lennar Title's right to initiate an action in interpleader and Lennar Title's right of resignation, as set forth in these provisions). The parties agree that in the event of a dispute between the parties, Lennar Title has the absolute right, at its election, to file an action in interpleader naming the parties, and is authorized to deposit with the clerk of the court all documents and funds held in this escrow. In the event such action is filed, the parties jointly and severally agree to pay Lennar Title 's cancellation charges and costs, expenses and reasonable attorney's fees which Lennar Title is required to expend in this interpleader action. Upon the filing of the action, Lennar Title shall be fully released from all obligations to further perform any duties otherwise imposed by the terms of this escrow.

16. **RIGHT OF RESIGNATION**
Upon five (5) calendar days written notice delivered to the parties, Lennar Title has the right to resign as Escrow Holder: (a) if there is no action taken in this escrow for any six (6) month period and/or (b) for any reason. If such right is exercised, Lennar Title is authorized to return all funds and documents to the party who deposited them and Lennar Title shall have no further liability in this escrow.

17. **ESCROW INSTRUCTIONS, COUNTERPART APPROVAL AND SEVERABILITY**
Any escrow instruction, amendment or supplement to these instructions must be in writing. Collectively, these escrow instructions constitute the entire agreement between the Escrow Holder and the parties. These escrow instructions, amendments and supplements may be executed in one or more counterparts, each of which independently shall have the same effect as if it were the original, regardless of date of execution or delivery, and all of which taken together shall constitute one and the same instruction. In these instructions, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular includes the plural. In the event one or more of these General Provisions is held to be invalid in judicial, administrative or other proceedings, the remaining General Provisions will continue to be operative. Should there be any conflict between these General Provisions and any other agreements of which these General Provisions are a part, all the terms and conditions of these General Provisions shall control as to Lennar Title. Once the parties have performed and/or satisfied all conditions to escrow, Lennar Title is authorized to close escrow without further instruction or authorization.

18. **DISCLOSURE OF CONDITIONS PRECEDENT**
The parties to this escrow, by placing their initials below and their execution hereof, each acknowledge that he/she/it has fully disclosed to Lennar Title all matters that shall affect the transfer of the subject property in this escrow and conditions of title (including but not limited to real, personal, intangible, and leased property and systems, which matters may result in a lien against the subject property). Disclosure shall include, but is not limited to, water, stock, owners association or maintenance dues, contractual obligations not automatically terminated upon sale, notes, deeds of trust, encumbrances, vendors liens, easements, covenants, conditions, restrictions, rights and other matters affecting title, whether of record or not.

19. **DELIVERY OF PURCHASE AGREEMENT, OTHER DOCUMENTS AND FEES**
The parties to this escrow each warrant that he/she/it has timely provided and delivered to Lennar Title a full and complete copy of any purchase agreement, counter offer, amendment, addendum or supplement (collectively, "purchase documents"), and all other documents and fees required of each of them by the purchase documents. The failure to timely deliver any of the purchase documents, other documents or fees required thereunder by either party to Lennar Title may delay the close of escrow or result in a cancellation of the escrow, and in such case, the parties agree to hold harmless and indemnify Lennar Title from any loss or damage incurred thereby. If any form of purchase documents is deposited to this escrow, it is understood that such document shall be effective only as between the parties signing the purchase documents except as specifically provided therein. The terms and conditions of the purchase documents that are not specifically directed to Escrow Holder are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. To the extent these General Provisions are inconsistent or conflict with any of the purchase documents, the General Provisions will control as to the duties and obligations of Escrow Holder.

20. **AUTHORITY TO ACT**
Prior to any disbursement of funds held by Lennar Title from this escrow, including funds deposited by a third party for the account or on behalf of either principal herein, or upon the request of Lennar Title at any time prior to the close of escrow, the parties agree to promptly hand to Escrow Holder, or in the case of third party deposit(s), to

cause the third party depositor to promptly hand over to Escrow Holder, all applicable documentation to establish, to the satisfaction of Lennar Title, their authority to act. The failure to timely provide, or to cause the third party depositor to timely provide, Lennar Title with such documentation may delay the disbursement of funds before or following the close of escrow or the close of escrow, for which the parties hereto hold harmless and indemnify Lennar Title from any loss or damage resulting therefrom. These documents may include, but shall not be limited to:

1) If an individual: Statement of Information
2) If a corporation: A corporate resolution signed by the Secretary of the corporation, authorizing the acquisition, encumbrance or sale of the subject property, and designating the authorized signatories on behalf of the corporation, together with a copy of the Articles of Incorporation and bylaws
3) If a trust: A copy of the trust agreement, any amendments thereto and/or Trust Certification
4) If a general partnership: An original Statement of Partnership, in recordable form (if not already recorded), together with a copy of the partnership agreement (Note: if partners of a partnership are individuals, each partner may be required to submit a Statement of Information)
5) If a limited partnership: The LP-1 form, certified by the Secretary to record (if not already recorded), together with a copy of the partnership agreement
6) If a joint venture: The requirements specified in 1, 2, and 3 above will be applicable as they relate to the entities that comprise the joint venture
7) If a limited liability company ("LLC"): the LLC-1, certified by the Secretary to record (if not already recorded), identifying an expiration date, and identifying a designee as managing member of the LLC, and a copy of the operating agreement.

THE ESCROW HOLDER IS LENNAR TITLE, INC., WHICH IS LICENSED BY THE CALIFORNIA DEPARTMENT OF INSURANCE (CALIFORNIA ID NUMBER 2918-1).

General Provisions Revised
01/11/2021

ALL PARTIES ACKNOWLEDGE THAT LENNAR TITLE, INC. HAS NOT GIVEN AND WILL NOT GIVE ANY LEGAL, TAX, REAL ESTATE OR INVESTMENT ADVICE IN THE ESCROW, NOR HAS IT MADE NOR WILL IT MAKE ANY INVESTIGATION, REPRESENTATIONS, OR ASSURANCES AS TO SUCH MATTERS OR AS TO COMPLIANCE OF THIS TRANSACTION WITH ANY TAX, SECURITIES, OR ANY OTHER FEDERAL OR STATE LAWS OR REGULATIONS. LENNAR TITLE, INC. RECOMMENDS THAT THE PARTIES SEEK AND OBTAIN INDEPENDENT LEGAL COUNSEL AND OTHER PROFESSIONAL ADVICE AS TO ALL SUCH MATTERS.

BUYER(S):

DocuSigned by: Ginamarie Black
AD3857CB46DD4C8...

Buyer - Ginamarie Black
Date 3/5/2024

DocuSigned by: Mark Black
BB4F66B96607849C...

Buyer - Mark Black
Date 3/5/2024

Buyer -
Date

Buyer -
Date

SELLER:
Lennar Homes of California, LLC, a California limited liability company
a

DocuSigned by: Cody Brown
5ADE929552E44DE...

By
Title: Authorized Representative
Cody Brown
Date Signed by Seller: 3/6/2024

PRIVACY POLICY NOTICE AND CONSENT ADDENDUM

THIS PRIVACY POLICY NOTICE AND CONSENT ADDENDUM (this "**Addendum**") is, by this reference, made part of the Purchase and Sale Agreement (the "**Agreement**") dated as of the seventh day of March, 2024 between Ginamarie Black, Mark Black (collectively, "**Buyer**") and Seller, as defined in the Agreement, respecting Unit 0104 of Building ______ of LUNA @ Sunbow Subdivision/Plat/Condominium in the community known as LUNA @ Sunbow (the "**Community**").

1. **Defined Terms**. All initially capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Addendum to the Agreement shall be deemed to include references to this Addendum and to any other addenda and riders attached to the Agreement, which are hereby incorporated by this reference. Notwithstanding the foregoing or anything contained in the Agreement to the contrary, for the exclusive purpose of this Addendum, "**Lennar Affiliate(s)**" shall have the meaning set forth in the Privacy Policy Summary attached hereto as Exhibit "A" ("**Privacy Policy Summary**").

2. **Explanation**. Buyer may need a mortgage, homeowners' insurance, title insurance and/or settlement services in connection with the purchase of the Home. While Buyer is not required to use a Lennar Affiliate to purchase such services, they are available to assist with obtaining these services in connection with the purchase of the Home. This Addendum provides Buyer with the option of electing to receive marketing materials, including price quotes, for services that may be necessary in connection with the purchase of the new Home. It is entirely Buyer's choice whether to receive any such information, and there is no obligation to use any Lennar Affiliate.

3. **Acknowledgement of Privacy Policy Summary and Privacy Policy**. Buyer acknowledges that Buyer has received and reviewed Seller's Privacy Policy Summary and has been given the opportunity to review Seller's complete Privacy Policy at https://www.lennar.com/privacypolicy, or on request. Buyer hereby accepts the Privacy Policy and acknowledges that the Privacy Policy is subject to future amendment.

4. **Consent to Sharing Information with Lennar Affiliates**. Please choose the "Yes" or "No" options below to indicate whether Buyer wishes to share information with Lennar Affiliates (such as those involved in the home purchasing process, e.g., Lennar Mortgage, LLC, Lennar Title, Inc., CalAtlantic Title, LLC and Lennar Insurance Agency, LLC). If there is more than one Buyer, the choices selected on the Addendum will apply to all Buyers who have executed the Addendum.

YES	NO	
x	________	**Lennar Affiliate Information Sharing**: Agreeing to this option will allow the Lennar Affiliates to provide Buyer with offers and information about products and services that may be necessary in connection with the home-buying process by accessing and using Buyer's Personal Information. These services include providing the Buyer with home financing information and quotes for title insurance, closing services and homeowner's insurance.

Buyer may change the above selections (i.e., opt-out if Buyer has previously selected "YES", or opt-in, if Buyer has previously selected "NO") at any time by visiting www.lennar.com/contact/communicationpreferences and making the appropriate selections in the manner prescribed in the form, or as otherwise described in the Privacy Policy.

5. **Counterparts**. This Addendum shall be validly executed when signed in counterpart; a complete set of which shall form a single document. Signatures may be given via electronic transmission and shall be deemed original and given as of the date and time of the transmission of this Addendum electronically to the other party.

6. **Conflicts**. In the event of any conflict between this Addendum and the Agreement, this Addendum shall control. In all other respects, the Agreement shall remain in full force and effect.

7. **Entire Agreement**. The Agreement, together with this Addendum and any other addenda and riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. No addition or modification of this Addendum or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized representative of Seller.

DocuSigned by: Ginamarie Black AD3857CB46DD4C8...	DocuSigned by: Mark Black BB4F66B9607849C...
Buyer - Ginamarie Black	Buyer - Mark Black
Date 3/5/2024	Date 3/5/2024
Buyer -	Buyer -
Date	Date

SELLER:
Lennar Homes of California, LLC, a California limited liability company
a

DocuSigned by: Cody Brown 5ADE929552E44DE...

By: ______________________
Title: Authorized Representative Cody Brown
Date Signed by Seller: 3/6/2024

EXHIBIT "A"
PRIVACY POLICY SUMMARY

This Privacy Policy Summary summarizes selected terms of the Privacy Policy of Lennar Corporation ("Privacy Policy") and its subsidiaries collectively, "Lennar," "we", "us", "our") collect, use, and disclose Personal Information about visitors to our websites, users of our mobile applications, people we meet in person or by phone, our customers and prospective customers, and others whose Personal Information (defined below) we collect and retain ("you" or "your").

THIS PRIVACY POLICY SUMMARY DOES NOT AND IS NOT INTENDED TO REPLACE, SUPPLEMENT, OR MODIFY THE FULL LENNAR PRIVACY POLICY. IT IS FOR REFERENCE PURPOSES ONLY. YOU SHOULD REVIEW THE FULL TEXT OF THE PRIVACY POLICY BY VISITING https://www.lennar.com/privacypolicy, OR BY CONTACTING US AS PROVIDED BELOW.

You consent to the terms of our Privacy Policy when you use our online services or provide your Personal Information to us after receiving this Privacy Policy Summary and an opportunity to review our complete Privacy Policy.

"Personal Information" refers to information that identifies, relates to, describes, or is reasonably capable of being associated or linked to you (such as your name, email address, government-issued identification numbers, Internet Protocol address). We collect Personal Information when you do business or otherwise interact with Lennar, when you visit our websites including www.lennar.com, and when you set up and use a myLennar online account.

"Lennar" include Lennar Corporation and all affiliated companies, including but not limited to: Lennar Homes, LLC; Village Builders, LLC; US Home, LLC, WCI Communities, LLC and their homebuilding subsidiaries; Lennar Commercial, LLC; Lennar Sales Corp.; LenX, LLC; CalAtlantic Group, Inc.; and Quarterra Multifamily Communities, LLC.

"Lennar Affiliates" includes Lennar Mortgage, LLC, Lennar Title, Inc., Lennar Title, LLC, Lennar Title Group, LLC, Doma Title Insurance, Inc. and Lennar Insurance Agency, LLC (collectively "Lennar Affiliates").

"Business Partners" are unaffiliated companies we collaborate with in the homebuilding process for lead generation and marketing purposes or offer products and services for the home buyer or Community

How We Use Personal Information. We may use your we use your Personal Information to:

o Manage our contractual relations, process your transactions, protect our business interests, and enforce our terms and conditions (https://www.lennar.com/termsandconditions).

o Establish, maintain, and service customer accounts; provide customer service; provide financing, title, insurance or other home-purchase related services through Lennar Affiliates, engage in advertising, marketing, and online analytic services.

o Process payment information for transactions with Lennar (although we will not retain your credit card information).

o Requesting feedback on the customer's experience and offering products and services in the future.

o Maintain records of our customers' needs, preferences and interests so that we may assist customers to identify properties and services.

o Manage our online services to maintain functionality, improve service, identify products and services that may be of interest, and detect and prevent malicious activity.

o Permit third-party advertisers and ad servers to deliver Lennar advertisements to you on other websites you visit. You can opt-out of this type of data collection at the links on our website.

o Comply with applicable law and legal process.

o Undertake a major business transaction subject to appropriate confidentiality protections.

Categories of Personal Information Collected and Shared. Third parties who may have access to your Personal Information include (among others): (1) Lennar Affiliates; (2) "Service Providers" that support our building and administrative operations, (3) Business Partners; and (4) "Online Services," which are providers of digital advertising, analytics, and social media services.

Service Providers may not sell or use Personal Information from these services for their own purposes. Subject to your preferences and selections, we may share Personal Information with Lennar Affiliates and Business Partners to use for their own commercial purposes (such as marketing products and services related to your home) and Lennar may receive monetary or other valuable consideration for access to Personal Information. You may "opt-out" of sharing Personal Information with Online Services for targeted advertising and restrict collection of online data using the settings on your browser or device.

The chart below summarizes the categories of Personal Information Lennar collected during the past 12 months, the categories disclosed to Lennar Affiliates, Business Partners, and Online Services (collectively "Third Parties"), and whether disclosure is subject to your preference selection.

Categories of Personal Information Collected in Past 12 Months	**Sources**	**Disclosure and Your Opt-in or Opt-out Rights***
Contact information: name, postal address, email address, and telephone number	o Your request for information (online or offline) o Your application for home purchase, mortgage, insurance, or other transaction o Lennar Affiliates o Business Partners o Marketing research services	Lennar Affiliates as necessary to complete the transaction but with prior consent to use for customer lead generation, direct marketing or market research services. Business Partners for customer lead generation, direct marketing; market research services. You may Opt-Out.
Personal identifiers: Social Security number, government-issued identification number, and driver's license and passport number	o You, including your application for home purchase, mortgage, insurance, or other transaction information	Not shared with Third Parties
Consumer information: Credit/debit card and bank or other financial account numbers	You (as necessary to complete a transaction)	Not shared with Third Parties
Commercial information: o Credit reports, purchasing history, and public real estate and lien records **o** Lennar Affiliate transaction history, transaction contracts and closing document information.	o Credit reporting agencies o Public records o Lennar Affiliates	o Shared with Lennar Affiliates with your consent* o Not shared with Business Partners
Other financial information: income, assets, liabilities, salary and employer information.	o Your application for home purchase, mortgage, insurance, or other transaction o Lennar Affiliate	o Shared with Lennar Affiliates with your consent* o Not shared with Business Partners
Internet and other electronic network activity: o Internet protocol address, mobile device identifier o Browsing history o Interactions with our websites (such as photos and comments you post)	o Cookies and other internet tracking technologies used on our websites and myLennar account o E-mail messages	Online Services (with notice and your consent in states with applicable laws - subject to opt-out)*
Geolocation data	o Your IP address and mobile device identifier o Specific location data you provide	o Online Services (subject to opt-out)
Interested Buyer or Home-Buyer Profile: name, email and/or street address, new home and location interests and preferences; new street address, Lennar Community, gender, family members, details about your home purchase, and anticipated closing date; blog comments; photos	o You o Your social media accounts if you provide access**	May be shared with Lennar Affiliates and Business Partners (subject to opt-out)

You may change your selection at any time at https://www.lennar.com/contact/CommunicationPreferences or by contacting us as described below. You cannot opt-out of disclosures to certain Service Providers because they perform business services on behalf of Lennar Affiliates and do not use Personal Information for their own commercial purposes.

Collection and use of Personal Information by Business Partners and Online Services is subject to their own privacy practices and is not governed by the Lennar Privacy Policy. You should review those Third Party privacy policies to learn about their privacy practices.

*You can restrict the automated collection of your online usage data and receipt of personalized ads by managing the preference settings on your browser or device either through "Communication Preferences" or "Cookie Preferences" hyperlinks on our website.

Other reasons for sharing personal information.
Except as otherwise provided in this Privacy Policy, we may share or disclose personal information to other third parties for the following reasons:

- o To third parties to whom you or authorize us to disclose your personal information.
- o To enforce our contracts and the Terms and Conditions applicable to the use of the Websites.
- o To fulfill your requests including connecting with your social media accounts.
- o To comply with laws or valid legal process and in response to appropriate governmental requests.
- o As we deem reasonably necessary to investigate, prevent or take other appropriate action in connection with potential illegal or fraudulent activities or potential risk to the personal safety of any individual or the security of your personal information.
- o As we deem reasonably necessary to in connection with a major business transaction subject to appropriate confidentiality protections.

Information Sharing with Lennar Affiliates

Under Federal law, we are permitted to share information about our own transactions and experiences with you with Lennar Affiliates. You have the right to limit our ability to share information about your creditworthiness or for marketing purposes with Lennar Affiliates.

Notice of Your Ability to Limit Sharing of Creditworthiness Information with Lennar Affiliates. Information about your creditworthiness includes, for example, your income, assets, and other liabilities that you provide to us or that we obtain from a consumer credit report. We will not share your information about your creditworthiness with Lennar Affiliates.

Notice of Your Choice to Limit Marketing by Lennar Affiliates. You may limit or opt-out of Lennar Affiliates, such as our mortgage lender or broker and insurance affiliates, from marketing their products or services to you based on Personal Information that we collect from you and share with them. The types of information we might share with Lennar Affiliates for their marketing purposes include your income, account history, and credit history. Visit https://www.lennar.com/contact/CommunicationPreferences or contacting us by e-mail at privacyinfo@lennar.com.

Opt-In / Opt-Out Procedures

In the process of purchasing a Lennar home, you may be interested in receiving information about a variety of related products and services including, but not limited to, home loan, title and homeowner's insurance, security services, and community resource such as telecommunications services and local merchants. When you provide us with your contact information, you will be asked to consent to authorize us to share your personal information with Lennar Affiliates and/or Business Associates to market services relating to the purchase of a home to you. You may change your selection at any time by visiting: https://www.lennar.com/contact/CommunicationPreferences.

(Note that you cannot opt-out of disclosures to Service Providers because they perform business services on behalf of Lennar and do not use personal information for their own commercial purposes). If you would like to restrict the automated collection of your personal information while using our websites, mobile apps, and other online services "Online Services"), see the section titled, "How We Cookies and other Tracking Technologies."

How We Use and How You Can Limit Cookies and Interest-Based Advertising

You will be provided the right to "opt-out" from sharing your Personal Information by using the "Do Not Sell or Share My Personal Information" option available on our website.

How We Use and How You Can Limit Cookies and Targeted Advertising

We use cookies and similar technologies as well allow Business Partners to serve advertisements on our website. We may engage third parties, such as Google Analytics, to collect activity and usage data. We may use third-party advertising companies to serve ads when you visit our Online Services all as provided in the Privacy Policy. You can restrict some cookies on our website at the Cookies Preference Center by visiting https://www.lennar.com/privacypolicy#how-you-can-restrict-cookies-and-targeted-advertising.

Protecting and Retention of Personal Information

Lennar maintains administrative, technical and physical safeguards to protect the security, confidentiality, and integrity of your Personal Information appropriate to the nature of the Personal Information we collect. We retain Personal Information for as long as we reasonably require it for legal or business purposes.

Rights of California Residents and States with Enhanced Privacy Laws

California Consumers have the rights described at: https://www.lennar.com/privacypolicy#ForCaliforniaConsumers. The rights of California consumers include (among others):

- o To direct Lennar not to sell or share their Personal Information to others ("Right to Opt-Out");

o To know what Personal Information Lennar collected, sold, or disclosed about the consumer or the consumer's household during the last twelve (12) months; and
o To request that Lennar delete Personal Information that Lennar has collected, subject to a range of exclusions permitted by law.

California consumers have the right to direct a business not to sell their Personal Information to others ("Right to Opt-Out"). You can exercise your Right to Opt-Out by submitting the webform: https://www.lennar.com/contact/CommunicationPreferences. You may also exercise your Right to Opt-Out by contacting us as described below. You may opt-out of sales of Personal Information and sharing of Personal Information for purposes of targeted advertising. In addition to your rights under California law, Lennar will ask for your affirmative consent (opt-in) before selling or disclosing your Personal Information to Lennar Affiliates to permit them to market their products and services to you.

In addition, to **California**, residents of **Virginia, Colorado and Connecticut**, you have the following rights:

Request to Know and Access What Personal Information We Collected about You. You can request to know and receive information about the following during the last twelve (12) months: Categories of personal information we collected, Categories of sources from which the personal information is collected, business or commercial purpose for collecting or selling personal information categories of personal information sold or exchanged for value with a third-party and categories of such third parties, categories of personal information disclosed to a third-party for a business purpose and categories of such third parties, specific pieces of personal information collected about you (except for very sensitive personally identifiable information which we will describe but not transmit).

Request to Change or Correct Your Personal Information. You can ask us to correct inaccurate information and we may consider relevant circumstances to confirm accuracy of the changes you request. You can update or correct your myLennar account information by logging into your account at the customer portal on our Sites.

Request to Delete Personal Information. In considering a request to delete personal information we will take into account our business reasons for keeping that information and the statutory standards and exclusions that apply to deletion requests. We will not delete personal information if it is necessary to complete a transaction, is reasonably used for an ongoing business relationship, is retained for legal purposes or is used in a lawful manner that is compatible with the context in which you provided the information.

Request to Opt-Out from Selling or Sharing Personal Information. You can direct us not to sell your personal information to others.

Request to Opt-Out of Sharing Personal Information for Targeted Advertising. We may use targeted online advertising in which ads are presented to you are based on data about your online activities collected by ad networks or social media. You can "opt-out" of having your personal information collected on our Sites used for targeted advertising.

How to Submit and How We Verify a Request. You may submit a Consumer Request using any of the ways explained in "Contact Us" section.

Please note that for us to verify certain requests we may need to verify your identity by confirming information we have on file for you, including email address, phone number, full name, address and other personal information. If you make a request on behalf of someone else, we will need to verify your authority to make that request. We reserve the right to deny a consumer request if the identity or authority of the requesting party cannot be confirmed.

If we cannot comply with all or part of your request, we will explain the reasons why. For data portability requests, we will select a format to provide your personal information that is readily useable and should allow you to transmit the information readily from one entity to another entity. We do not charge a fee to process or respond to your verifiable consumer request unless it is excessive, repetitive, or manifestly unfounded. If we determine that the request warrants a fee, we will tell you why we made that decision and provide you with a cost estimate before completing your request. We will not discriminate against you if you make a request about your personal information.

Contact us with your questions about this Privacy Policy or our privacy practices or to change opt-in or opt-out preferences:

By email:	privacyinfo@lennar.com
By phone:	1-800-532-6993
Online Preferences webform:	https://www.lennar.com/contact/CommunicationPreferences
By postal mail:	5505 Waterford District Drive, Miami, FL 33126 (Attn: Privacy Compliance Dept.)

PROPOSITION 65 AND FORMALDEHYDE ADDENDUM

THIS PROPOSITION 65 AND FORMALDEHYDE ADDENDUM (this "**Addendum**") is executed in conjunction with and, by this reference, incorporated into the Purchase Agreement and Deposit Receipt and Escrow Instructions (the "**Purchase Agreement**") dated as of the seventh day of March, 2024, between Ginamarie Black, Mark Black (collectively, "**Buyer**") and Seller, as defined in the Purchase Agreement, respecting Unit No. 0104 of Building No. ______ of Tract No. MAP NO. 16553 in the City/County of San Diego, State of California, in the community known as LUNA @ Sunbow (the "**Property**").

1. **Defined Terms**. All initially capitalized terms not defined herein shall have the meanings set forth in the Purchase Agreement, and all references in this Addendum to the Purchase Agreement shall be deemed to include references to this Addendum and to any other addenda and riders attached to the Purchase Agreement, which are hereby incorporated by this reference.

2. **Purchase Documents**. Buyer has been or will be provided with certain documents in connection with the purchase of the Property, including, but not limited, to the Purchase Agreement and the Homebuyer Disclosure Statement and standalone disclosures for the Community (the "**Disclosures**") (collectively, "**Purchase Documents**"). Buyer and Seller, by way of this Addendum, intend to amend and supersede any notices related to Proposition 65 and Formaldehyde contained within the Purchase Documents and replace such notices with the notices provided herein.

3. **Proposition 65 Notice in Purchase Agreement**. Buyer and Seller hereby agree to that the following notice will amend, supersede and replace any and all notices related to Proposition 65 in the Purchase Agreement:

> SELLER hereby notifies BUYER that the Property you are purchasing can expose you to chemicals in floor coverings, adhesives and other materials used in the construction of your Property known to the State of California to cause cancer and birth defects or other reproductive harm. BUYER has reviewed and understands the following consumer product warning regarding the Property BUYER is purchasing as required by Proposition 65:
>
> ⚠ **WARNING**: This product can expose you to chemicals including benzene, which are known to the State of California to cause cancer and birth defects or other reproductive harm. For more information go to www.P65Warnings.ca.gov.
>
> The "product" referred to in the above consumer product warning is contained in the Property you are purchasing.

4. **Proposition 65 and Formaldehyde Notices in Disclosures**. Buyer and Seller hereby agree to that the following notice will amend, supersede and replace any and all notices related to Proposition 65 and Formaldehyde in the Disclosures with respect to the Property:

Proposition 65:

> The Safe Drinking Water and Toxic Enforcement Act of 1986, also known as "Proposition 65," requires that all businesses (including Seller) provide "clear and reasonable" methods of warning to Buyer of the potential hazards associated with exposure to certain chemicals from products and the environment. As of August 1, 2018, the State of California has listed approximately 900 chemicals known to the State of California to cause cancer, birth defects and/or other reproductive harm. Buyer hereby acknowledges that at the time Buyer executes the Purchase Agreement, Seller has posted, in a conspicuous location in the sales office:
>
> ⚠ **WARNING**: Entering this area can expose you to chemicals known to the State of California to cause cancer and birth defects or other reproductive harm, including benzene, from construction materials. For more information go to **www.P65Warnings.ca.gov.**
>
> ⚠ **NOTICE**: Some furniture products can expose you to chemicals known to the State of California to cause cancer and/or birth defects or other reproductive harm. Please check the product label for warning information. For more information go to **www.P65Warnings.ca.gov.**
>
> This signage is intended to notify Buyer of the potential chemicals that Buyer may be exposed to when Buyer purchases a Home/Homesite from Seller. In addition to the foregoing, Buyer hereby acknowledges that Buyer has reviewed and understands the following consumer product warning regarding the Home/Homesite Buyer is purchasing as required by Proposition 65:
>
> ⚠ **WARNING**: This product can expose you to chemicals including benzene, which are known to the State of California to cause cancer and birth defects or other reproductive harm. For more information go to **www.P65Warnings.ca.gov.**
>
> References to "product" are intended to comply with the terms used in the Proposition 65 regulations. Since Seller is selling a Home/Homesite to Buyer, references to a "product" in this case mean the residence

which Buyer is purchasing.

Formaldehyde:

According to information provided by the California Building Industry Association ("***CBIA***"), state and federal governmental agencies have tested the indoor air of certain homes in California for the presence of formaldehyde. Formaldehyde is present in the air because it is emitted by many building materials and home products. These materials and products include carpeting, pressed wood products, insulation, plastics and glues. Most homes that were tested contained formaldehyde, which may present significant health hazards, including significant cancer risk. Formaldehyde has been shown to cause tumors in rodent tests and may be irritating to sensitive humans at levels higher than normally found in new construction. The Homesites in the Community have not been tested by the Seller for the presence of formaldehyde. Given the cost of testing, it is not feasible to test every Homesite to ascertain the level of formaldehyde present. According to information provided by the CBIA, the concentration of formaldehyde varies from Homesite to Homesite with no obvious explanation for the differences. One reason for the uncertainty about this variation is that many material suppliers and manufacturers do not provide information on the chemical ingredients they use to manufacture their products. If Buyer has questions about the presence of formaldehyde in Buyer's Homesite, Seller will, upon request, provide Buyer with a list of the known material suppliers so that Buyer may contact them directly. Neither the Seller has any specific information regarding the presence of formaldehyde in the Homesites in the Community and makes no representations regarding presence or absence of formaldehyde.

5. **Counterparts**. This Addendum shall be validly executed when signed in counterpart; a complete set of which shall form a single document. Signatures may be given via electronic transmission and shall be deemed original and given as of the date and time of the transmission of this Addendum electronically to the other party.

6. **Conflicts**. In the event of any conflict between this Addendum and the Purchase Agreement, and/or Disclosures, this Addendum shall control. In all other respects, the Purchase Agreement and/or Disclosures shall remain in full force and effect.

7. **Entire Agreement**. The Purchase Agreement, together with this Addendum and any other addenda and riders to the Purchase Agreement contain the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts, whether oral or written, are hereby superseded by these documents. No addition or modification of this Addendum or the Purchase Agreement with respect to Proposition 65 and Formaldehyde shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

DocuSigned by:
Ginamarie Black
AD3857CB46DD4C8...
Buyer - Ginamarie Black
Date 3/5/2024

DocuSigned by:
Mark Black
BB4F66B9607849C...
Buyer - Mark Black
Date 3/5/2024

Buyer -
Date

Buyer -
Date

SELLER:
Lennar Homes of California, LLC, a California limited liability company

By DocuSigned by:
Cody Brown
5ADE929552E44DE...
Title: Authorized Representative Cody Brown
Date Signed by Seller: 3/6/2024

Affiliated Business Arrangement Disclosure Statement

BUYER: **Ginamarie Black, Mark Black**

REFERRING PARTY/SELLER: **Lennar Homes of California, LLC, a California limited liability company**

PROPERTY: **808 Mateo Street, Unit 2 Chula Vista CA 91911**

DATE: 3/5/2024

This is to give notice that Referring Party/Seller (Seller) has business relationships with the companies listed in the boxes below. Specifically, Seller is, directly or indirectly, wholly owned by Lennar Corporation. Lennar Corporation (i) owns, directly or indirectly, 100% of Lennar Mortgage, LLC and Lennar Title, Inc.; (ii) indirectly has a 20% ownership interest in Doma Title Insurance, Inc. (iii) indirectly has at least an 80% ownership interest in Lennar Insurance Agency, LLC; and (iv) indirectly has a minority ownership interest of less than 5% in Opendoor Labs, Inc. In addition, if you choose to use Lennar Insurance Agency, LLC for insurance services for your new home, Lennar Insurance Agency, LLC may outsource certain services to be performed by Blend Insurance Agency, Inc. Lennar Corporation indirectly has a minority ownership interest of less than 1% in Blend Insurance Agency, Inc. Because of these relationships, this referral of services may provide Seller a financial or other benefit.

Set forth below are the types of settlement services offered by these affiliated companies and the estimated charge or range of charges generally required by these companies for such settlement services. You are NOT required to use any of the companies listed above as a condition to the purchase of the property.

THERE ARE FREQUENTLY OTHER SETTLEMENT SERVICE PROVIDERS AVAILABLE WITH SIMILAR SERVICES. YOU ARE FREE TO SHOP AROUND TO DETERMINE YOU ARE RECEIVING THE BEST SERVICES AND RATE FOR SUCH SERVICES.

Provider and Settlement Services/Estimated Range of Charges

MORTGAGE

Lennar Mortgage, LLC arranges and makes mortgage loans and the following are estimated mortgage loan related charges or range of charges **(not all of the charges may apply)**:

Description of Settlement Service	Range of Charges
Origination Charges	
% of Loan Amount (Points)	0% - 5% (of the loan amount)
Loan Origination Fee	0% - 1.5% (of the loan amount)
Courier/Messenger Fee	$0 - $200
Document Preparation Fee	$0 - $725
Processing Fee	$0 - $935
Tax Service Fee	$0 - $100
Underwriting Fee	$0 - $725
Wire Transfer Fee	$0 - $125
Appraisal Fee Paid to Appraiser	$0 - $1,100
Appraisal Schedule Fee to Appraisal	$0 - $500
Final Inspection Fee Paid to Appraiser	$0 - $600
Flood Certification Paid to Outside Agency	$0 - $15
Survey Fee Paid to Outside Agency	$0 - $942

Note: The actual fees charged may vary based on the size of your loan, loan program and interest rate you choose. There also will be other third-party charges. You will receive a Loan Estimate when you apply for your mortgage loan that will give you an estimate of all anticipated charges.

Affiliated Business Arrangement Disclosure Statement

SETTLEMENT SERVICES

Lennar Title, Inc. provides settlement services and issues title insurance through numerous underwriters, one of which is **Doma Title Insurance, Inc.** The following are estimated charges or range of charges for the settlement services listed:

Description of Title Policy	**Range of Charges**
Owner's Policy (Basic and Enhanced):	$ 420 - $ 560 for purchase price up to $200,000 $ 497 - $ 770 for purchase price up to $400,000 $ 651 - $ 980 for purchase price up to $600,000 $ 799 - $1,190 for purchase price up to $800,000 $ 925 - $1,400 for purchase price up to $1,000,000 $1,275 - $2,450 for purchase price up to $2,000,000
Lender's Policy:	$ 280 - $ 340 for loan amount up to $200,000 $ 313 - $ 430 for loan amount up to $400,000 $ 379 - $ 520 for loan amount up to $600,000 $ 443 - $ 610 for loan amount up to $800,000 $ 497 - $ 700 for loan amount up to $1,000,000 $ 647 - $1,150 for loan amount up to $2,000,000 $ 683 - $1,540 for loan amount up to $3,000,000

Description of Settlement Service	**Range of Charges**
Settlement Services Fee:**	$ 630 - $ 1100 for purchase price up to $200,000 $1,101 - $1,265 for purchase price up to $400,000 $1,266 - $1,595 for purchase price up to $600,000 $1,596 - $1,911 for purchase price up to $800,000 $1,912 - $2,181 for purchase price up to $1,000,000 $2,182 - $2,931 for purchase price up to $2,000,000
Solar Document Preparation Fee:	$200
Recording Processing Fee:	$25
Recording:	Actual charge
Notary:	Actual charge
Messenger:	Actual charge
Endorsements:	Actual Charge

**Additional fees may apply if closing more than one loan.

INSURANCE

Lennar Insurance Agency, LLC (Lennar Insurance Agency) is an insurance agent that provides, among other products, homeowner's/hazard and flood insurance. Lennar Insurance Agency has a contractual arrangement with **Blend Insurance Agency, Inc.**, a sub-producer, to provide certain services in connection with providing such insurance products. Set forth below are the estimated range of charges by Lennar Insurance Agency for the settlement services listed.

Description of Settlement Service	**Range of Charges - Annual Premium**
Homeowner's/Hazard Insurance	0.2% - 2.5% of purchase price amount
Flood Insurance	0.1% - 0.5% of purchase price amount

NOTE: The above premium ranges for homeowner's/hazard and flood insurance are from Lennar Insurance Agency. If enhancements to the standard policy such as increased limits, scheduled articles, and/or earthquake coverage are required, the premium may increase. Actual quote and acceptance by Lennar Insurance Agency is subject to Lennar Insurance Agency's or application of their underwriting guidelines, including but not limited to verification of your credit score and previous loss history. Of course, the cost of your insurance may vary due to many factors including, without limitation, the size, location and cost of your home.

Affiliated Business Arrangement Disclosure Statement

SALE OF EXISTING HOME

Opendoor Labs, Inc. d/b/a Opendoor offers programs to buy existing homes from homeowners.

Description of Settlement Service	Range of Charges*
Opendoor Service Charge (real estate transaction cost associated with purchase of home)	6% - 16% of home sales price

* The amount of the Opendoor Service Charge varies based on the individual property and current market conditions and does not include any upfront repair costs that may be required. There will also be other closing costs imposed by third parties related to the settlement of the sale. Contact Opendoor to obtain an offer that includes an estimate of all anticipated charges.

Acknowledgment

I/we have read this notice and understand that Seller is referring me/us to purchase the above-described settlement services and may receive a financial or other benefit as a result of this referral.

DocuSigned by:
Ginamarie Black
AD3857CB46DD4C8...
Buyer - Ginamarie Black
Date 3/5/2024

DocuSigned by:
Mark Black
BB4F66B9607849C...
Buyer - Mark Black
Date 3/5/2024

Buyer -
Date

Buyer -
Date

SELLER: Lennar Homes of California, LLC, a California limited liability company

By
DocuSigned by:
Cody Brown
5ADE929552E44DE...
Authorized Agent of Seller - Cody Brown
Date 3/6/2024

FHA/VA ADDENDUM

THIS FHA/VA ADDENDUM (this "**Addendum**") is executed in conjunction with and, by this reference, incorporated into the Purchase Agreement and Deposit Receipt and Escrow Instructions (the "**Purchase Agreement**") dated as of the seventh day of March, 2024, between Ginamarie Black, Mark Black (collectively, "**Buyer**") and Seller, as defined in the Purchase Agreement, respecting Lot/Unit No. 104 of Building No. 7B of Tract No. MAP NO. 16553, in City/County Chula Vista / San Diego, State of California, in the community known as LUNA @ Sunbow (the"**Property**").

1. **Defined Terms**. All initially capitalized terms not defined herein shall have the meanings set forth in the Purchase Agreement, and all references in this Addendum to the Purchase Agreement shall be deemed to include references to this Addendum and to any other addenda and riders attached to the Purchase Agreement, which are hereby incorporated by this reference.

2. **FHA/VA**. BUYER AGREES TO PROCEED WITH THE PURCHASE OF THE HOME AFTER HAVING READ BUYER'S RIGHTS AND PRIVILEGES, AS SET FORTH BELOW:

2.1 FHA Loans.

2.1.1 Buyer and Seller agree to the following FHA required provisions:

It is expressly agreed that notwithstanding any other provisions of this contract, purchaser shall not be obligated to complete the purchase of the property described herein or to incur any penalty by forfeiture of earnest money deposits or otherwise, unless purchaser has been given, in accordance with HUD/FHA or VA requirements, a written statement by the Federal Housing Commissioner, Department of Veterans Affairs, or a Direct Endorsement lender setting forth the appraised value of the property of not less than **$593,900.00**. The purchaser shall have the privilege and option of proceeding with consummation of the contract without regard to the amount of the appraised valuation. The appraised valuation is arrived at to determine the maximum mortgage the Department of Housing and Urban Development will insure. HUD DOES NOT WARRANT THE VALUE OR CONDITION OF THE PROPERTY. THE PURCHASER SHOULD SATISFY HIMSELF/HERSELF THAT THE PRICE AND CONDITION OF THE PROPERTY ARE ACCEPTABLE.

2.1.2 In the event the value of the Property set forth in the Appraised Value Statement is less than the Total Purchase Price, Buyer shall have the right to exercise the above-mentioned privilege and option to proceed at the Total Purchase Price, which is over and above the FHA Appraised Value Statement, by giving Seller written notice of Buyer's intention to do so in accordance with the Purchase Agreement notice requirements. Said notice shall be given within ***five (5)*** days of Buyer's receipt of the FHA appraisal by executing and delivering to Seller an "AGREE TO PROCEED" form, a copy of which may be obtained by request to Seller. In the event Buyer fails to give proper notice hereunder of Buyer's intention to proceed at the Total Purchase Price, the Purchase Agreement shall automatically become null and void and the parties shall promptly execute a written release of Buyer's Deposit, pursuant to which the Deposit shall immediately be returned in full to Buyer.

2.1.3 Buyer agrees to pay a mortgage insurance premium as required by FHA. Buyer has the right to pay the entire premium at the time of Closing or the premium may be added to the loan amount and financed over the term of the loan. If Buyer elects to add the premium to the loan amount, the total loan amount shall consist of the Cash to Close amount specified in the Purchase Price and Payment Addendum, plus the mortgage insurance premium. Pursuant to FHA regulations, Buyer shall pay an annual premium, if required, in addition to the up-front (or financed) premium. Said additional premium shall be paid monthly on a declining balance (excluding the portion of the balance, if any, attributable to the up-front premium).

2.1.4 Seller and Buyer certify that the terms of the Purchase Agreement are true and complete to the best of their respective knowledge and belief. Seller and Buyer further certify that all agreements relating to this real estate transaction have been fully disclosed and are covered in the Purchase Agreement, including any addenda attached thereto. Seller and Buyer understand that the failure to provide a complete and accurate copy of the Purchase Agreement could jeopardize this transaction. If there are any subsequent changes to the Purchase Agreement, the undersigned will submit them promptly to the Lender.

2.2 VA Loans.

2.2.1 Buyer and Seller agree to the following VA required provisions:

It is expressly agreed that, notwithstanding any other provisions of this contract, the purchaser shall not incur any penalty by forfeiture of earnest money or otherwise or be obligated to complete the purchase of the property described herein, if the contract purchase price or cost exceeds the reasonable value of the property established by the Department of Veterans Affairs. The purchaser shall, however, have the privilege and option of proceeding with the consummation of this contract without regard to the amount of the reasonable value established by the Department of

Veterans Affairs (38 U.S.C. 501, 3703(c)(1)).

2.2.2 Buyer agrees that should Buyer elect to complete the purchase at an amount in excess of the reasonable value established by the VA or a VA Lender Appraisal Proceeding Program ("**LAPP**") lender, Buyer shall pay such excess amount in cash from a source that Buyer agrees to disclose to the lender and the VA, which source Buyer represents and covenants will not be from borrowed funds except as approved by the VA. To exercise the aforementioned privilege and option to proceed at the Total Purchase Price, which is over and above the amount of reasonable value established by the VA or a VA LAPP lender, Buyer shall give Seller written notice of Buyer's intention to do so in accordance with the Purchase Agreement notice requirements. Said notice shall be given within ***five (5)*** days of Buyer's receipt of the amount of reasonable value established by the VA or a VA LAPP lender by executing and delivering to Seller an "AGREE TO PROCEED" form, a copy of which may be obtained by request to Seller. In the event Buyer fails to give proper notice hereunder of Buyer's intention to proceed at the Total Purchase Price, the Purchase Agreement shall automatically become null and void and the parties shall promptly execute a written release of Buyer's Deposit, pursuant to which the Deposit shall immediately be returned in full to Buyer.

2.2.3 VA DOES NOT WARRANT THE VALUE OR THE CONDITION OF THE HOME (PROPERTY). BUYER (PURCHASER) SHOULD SATISFY HIMSELF/HERSELF THAT THE PRICE AND CONDITION OF THE HOME (PROPERTY) ARE ACCEPTABLE.

2.2.4 For proposed construction where construction of the Home has not yet commenced, if Buyer is not able to obtain a VA loan to finance the purchase of the Home, then Seller agrees that Seller shall refund the Deposit to Buyer.

2.3 Special Trust Account. If Buyer is financing the purchase of the Home with a VA guaranteed loan, the Deposit received from Buyer prior to Closing shall be placed in a special trust account with a qualified trustee ("**Trustee**") in accordance with the provisions of a Lennar Deposits Trust Agreement ("**Trust Agreement**") between Lennar Corporation on behalf of Seller and the Trustee, and as required under 38 U.S.C. §3706 or other applicable law. In the event that the Purchase Agreement is cancelled for any reason other than Seller's default and pursuant to the provisions of the Trust Agreement, if Buyer seeks a refund of the Deposit from Seller and Seller refunds the Deposit directly to Buyer, Buyer hereby authorizes the Trustee to reimburse Seller for such refund. In consideration for either Seller's or Trustee's refund of the Deposit to Buyer, Seller and Lennar Corporation shall be unconditionally released from any claim arising out of or related to the Deposit and purchase of the Home and Trustee shall be unconditionally released from any claim arising out of or related to the escrow of the Deposit in connection with the purchase of the Home.

3. **FHA/VA Condominium Rules**. The Department of Housing and Urban Development issues rules that could impact your ability to obtain a FHA-insured or VA guaranteed loan on your condominium unit. Among other things, the rules may provide:

3.1 A minimum percentage of the total units which must be sold prior to endorsement of any mortgage on a unit. Valid presales include an executed sales agreement and evidence that a lender is willing to make the loan.

3.2 A minimum percentage of the units must be owner-occupied or sold to owners who intend to occupy the units.

3.3 Buyer agrees that if FHA or VA financing is not available that Buyer will apply for alternative financing.

4. **Counterparts**. This Addendum shall be validly executed when signed in counterpart; a complete set of which shall form a single document. Signatures may be given via electronic transmission and shall be deemed original and given as of the date and time of the transmission of this Addendum electronically to the other party.

5. **Conflicts**. In the event of any conflict between this Addendum and the Purchase Agreement, this Addendum shall control. In all other respects, the Purchase Agreement shall remain in full force and effect.

6. **Entire Agreement**. The Purchase Agreement, together with this Addendum and any other addenda and riders to the Purchase Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Addendum or the Purchase Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized representative of Seller.

DocuSigned by:
Ginamarie Black
AD3857CB46DD4C8...
Buyer - Ginamarie Black
Date 3/5/2024

DocuSigned by:
Mark Black
BB4F66B9607849C...
Buyer - Mark Black
Date 3/5/2024

Buyer -
Date

Buyer -
Date

SELLER:
Lennar Homes of California, LLC, a California limited liability company
a

DocuSigned by:
Cody Brown
5ADE929552E44DE...
By
Title: Authorized Representative Cody Brown
Date Signed by Seller: 3/6/2024

OUTSIDE LENDER INFORMATION ADDENDUM

THIS OUTSIDE LENDER INFORMATION ADDENDUM (this "**Addendum**") is executed in conjunction with and, by this reference, incorporated into the Purchase Agreement and Deposit Receipt and Escrow Instructions (the "**Purchase Agreement**") dated as of the seventh day of March, 2024, between Ginamarie Black, Mark Black (collectively, "**Buyer**") and Seller, respecting Unit No. 0104 of Building No. 7B Tract No. MAP NO. 16553, in the City/County of Chula Vista / San Diego, State of California, in the community known as LUNA @ Sunbow (the"**Property**").

1. **Defined Terms**. All initially capitalized terms not defined herein shall have the meanings set forth in the Purchase Agreement, and all references in this Addendum to the Purchase Agreement shall be deemed to include references to this Addendum and to any other addenda and attached to the Purchase Agreement, which are hereby incorporated by this reference.

2. **Lender Information:**. Buyer has elected to use the following lender ("**Lender**") as its lender for the acquisition of the Property. The contact information for the Lender is as follows:

   Brian James Sciutto - Email: sciuttoteam@myccmortgage.com Phone: (619) 857-7064

3. **Buyer's Obligation to Timely Perform**. As provided in the Purchase Agreement, Buyer's failure to timely close escrow is a default under the Purchase Agreement and will entitle Seller to terminate the Purchase Agreement and keep Buyer's Deposit as liquidated damages under Paragraph 15. Buyer acknowledges that except as provided in Paragraph 5 of the Purchase Agreement, Seller is not obligated to extend the Close of Escrow because of Lender's delay and Buyer will be in default for failure to timely close Escrow even if such failure is caused by Lender. At Buyer's request, Seller may, in Seller's sole discretion, grant an extension of time for Buyer to close Escrow. If an extension is provided, Buyer shall pay Seller an amount equally to one (1) percent of the Purchase Price per month in advance as carrying costs for the Property ("**Escrow Extension Payment**"). Any such Escrow Extension Payment will be pro-rated on a daily basis at the Close of Escrow.

4. **Counterparts**. This Addendum shall be validly executed when signed in counterpart; a complete set of which shall form a single document. Signatures may be given via electronic transmission and shall be deemed original and given as of the date and time of the transmission of this Addendum electronically to the other party.

5. **Conflicts**. In the event of any conflict between this Addendum and the Purchase Agreement, this Addendum shall control. In all other respects, the Purchase Agreement shall remain in full force and effect.

6. **Entire Agreement**. The Purchase Agreement, together with this Addendum and any other addenda and riders to the Purchase Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts, whether oral or written, are hereby superseded by these documents. No addition or modification of this Addendum or the Purchase Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized representative of Seller.

DocuSigned by:
Ginamarie Black
AD3857CB46DD4C8...
Buyer - Ginamarie Black
Date 3/5/2024

DocuSigned by:
Mark Black
BB4F66B9607849C...
Buyer - Mark Black
Date 3/5/2024

Buyer -
Date

Buyer -
Date

SELLER:
Lennar Homes of California, LLC, a California limited liability company
a

DocuSigned by:
By Cody Brown
5ADE929552F44DE...
Title: Authorized Representative
Cody Brown
Date Signed by Seller: 3/6/2024