

**Department of Real Estate
of the
State of California**

In the matter of the application of

**GDC-CM Mission Village LP,
a Delaware limited partnership**

CONDITIONAL SUBDIVISION PUBLIC REPORT

MIXED-USE CONDOMINIUM

FILE NO.: **181678LA-F00/C00**

ISSUED: JUNE 9, 2026

EXPIRES: DECEMBER 8, 2026

for a Conditional Subdivision Public Report on

TENTATIVE MAP WAIVER PMT-3338535

"DEZI" – Phase 1

DEPARTMENT OF REAL ESTATE

by Edward Wu
Signature

EDWARD WU

Printed Name

SAN DIEGO COUNTY, CALIFORNIA

CONSUMER INFORMATION

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

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

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

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

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

COMMON INTEREST DEVELOPMENT GENERAL INFORMATION

Common Interest Development

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

Governing Instruments

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

Assessments

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

Common Facilities

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

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

Subdivider Control

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

Cooperative Living

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

Informational Brochure

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

THIS REPORT COVERS ONLY U-1 THROUGH U-3 AND U-9 THROUGH U-16, INCLUSIVE OF THE CONDOMINIUM PLAN TO BE RECORDED IN THE OFFICE OF THE SAN DIEGO COUNTY RECORDER ("PHASE").

THIS PHASE IS WITHIN A COMMUNITY MARKETED AS "DEZI" ("COMMUNITY" OR "SUBDIVISION"), WHICH IS BEING DEVELOPED BY GDC-CM MISSION VILLAGE, LP, A DELAWARE LIMITED PARTNERSHIP ("SUBDIVIDER").

SPECIAL INTEREST AREAS IN THIS CONDITIONAL SUBDIVISION PUBLIC REPORT: YOUR ATTENTION IS ESPECIALLY DIRECTED TO THE PARAGRAPHS BELOW ENTITLED:

CONDITIONAL SUBDIVISION PUBLIC REPORT, MANAGEMENT AND OPERATION, MAINTENANCE AND OPERATIONAL EXPENSES, USES/ZONING/HAZARD DISCLOSURES, TITLE, TAXES, FINANCING AND PURCHASE MONEY HANDLING.

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

CONDITIONAL SUBDIVISION PUBLIC REPORT: THIS IS NOT A FINAL SUBDIVISION PUBLIC REPORT ("FINAL PUBLIC REPORT"), THIS IS WHAT IS KNOWN AS A CONDITIONAL SUBDIVISION PUBLIC REPORT ("CONDITIONAL PUBLIC REPORT"). IT IS CONDITIONAL PUBLIC REPORT SINCE THE SUBDIVIDER HAS NOT YET SATISFIED ALL OF THE CONDITIONS NECESSARY FOR THE ISSUANCE OF A FINAL PUBLIC REPORT. UNTIL ISSUANCE OF THE FINAL PUBLIC REPORT NO ESCROW SHALL CLOSE, NO FUNDS SHALL BE RELEASED FROM ESCROW TO THE SUBDIVIDER, AND NO TITLE SHALL BE CONVEYED FOR ANY PORTION OF THE SUBDIVISION COVERED BY THIS CONDITIONAL PUBLIC REPORT. HOWEVER, THE SUBDIVIDER MAY ENTER INTO A BINDING AGREEMENT WITH YOU FOR THE PURCHASE OR LEASE OF A CONDOMINIUM UNIT IN THIS SUBDIVISION IF:

- (A) THE SUBDIVIDER FIRST PROVIDES YOU WITH A COPY OF THIS CONDITIONAL PUBLIC REPORT AND A WRITTEN STATEMENT CONTAINING CERTAIN DISCLOSURES REQUIRED BY BUSINESS & PROFESSIONS CODE SECTION 11018.12(F).
- (B) PROVISION IS MADE IN THE PURCHASE AGREEMENT/CONTRACT AND ESCROW INSTRUCTIONS FOR THE RETURN OF THE ENTIRE SUM OF MONEY PAID OR ADVANCED ("PURCHASE MONEY") BY YOU IF A FINAL PUBLIC REPORT HAS NOT BEEN ISSUED DURING THE TERM OF THIS CONDITIONAL PUBLIC REPORT, AS MAY BE EXTENDED FOR AN ADDITIONAL SIX MONTH TERM.
- (C) PROVISION IS MADE IN THE PURCHASE AGREEMENT/CONTRACT AND ESCROW INSTRUCTIONS FOR THE RETURN TO YOU OF THE ENTIRE SUM OF MONEY PAID OR ADVANCED BY YOU IF YOU ARE DISSATISFIED WITH THE FINAL PUBLIC REPORT BECAUSE OF A MATERIAL CHANGE IN THE SETUP OF THE OFFERING (REFER TO BUSINESS & PROFESSIONS CODE SECTION 11012).
- (D) AS A CONDITION OF THE PURCHASE, DELIVERY OF LEGAL TITLE OR OTHER INTEREST CONTRACTED FOR WILL NOT TAKE PLACE UNTIL ISSUANCE OF A FINAL PUBLIC REPORT.

BEFORE ENTERING INTO A PURCHASE AGREEMENT/CONTRACT UNDER THE AUTHORITY OF THIS CONDITIONAL PUBLIC REPORT, YOU SHOULD REVIEW THE PURCHASE AGREEMENT/CONTRACT CAREFULLY TO MAKE SURE THAT YOU WILL BE ABLE TO HONOR YOUR OBLIGATIONS WHEN IT IS TIME TO CLOSE ESCROW.

FOR EXAMPLE, IF YOU DO NOT HAVE FUNDS TO COMPLETE THE PURCHASE MONEY LOAN, YOU MAY BE OBLIGATED UNDER THE PURCHASE AGREEMENT/CONTRACT TO KEEP AN ADEQUATE LOAN COMMITMENT IN EFFECT UNTIL THE FINAL PUBLIC REPORT IS ISSUED AND IT IS TIME TO COMPLETE THE PURCHASE.

YOU SHOULD CAREFULLY CONSIDER WHETHER THERE WILL BE CHANGES IN YOUR INCOME, ASSETS OR LIABILITIES THAT COULD MAKE YOUR LENDER UNABLE TO FUND THE LOAN. YOU SHOULD ALSO CONSIDER YOUR PERSONAL SITUATION BEFORE ENTERING INTO A CONTRACT AS YOUR DESIRE AND ABILITY TO COMPLETE THE PURCHASE MAY CHANGE.

THE DEPARTMENT OF REAL ESTATE HAS REVIEWED THE PURCHASE AGREEMENT/CONTRACT FORM BUT HAS NOT REVIEWED ANY ARRANGEMENTS YOU MAY ENTER INTO WITH YOUR PURCHASE MONEY LENDER. YOU SHOULD CAREFULLY REVIEW YOUR ARRANGEMENTS WITH THE LENDER.

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

THE INITIAL TERM OF THIS CONDITIONAL PUBLIC REPORT IS SIX MONTHS. WHEN THE CONDITIONAL PUBLIC REPORT EXPIRES, YOU MAY WISH TO CONSIDER CONTACTING THE SUBDIVIDER TO DISCUSS THE STATUS OF YOUR PURCHASE AGREEMENT/CONTRACT, SINCE A CONDITIONAL PUBLIC REPORT MAY BE RENEWED FOR ONE ADDITIONAL SIX-MONTH TERM.

THIS CONDITIONAL PUBLIC REPORT ALLOWS THE SUBDIVIDER TO ENTER INTO A BINDING CONTRACT WITH YOU, SUBJECT TO YOUR RECEIPT, EXAMINATION, AND ACCEPTANCE OF A FINAL PUBLIC REPORT WITHIN THE TIME PERIOD INDICATED IN YOUR PURCHASE AGREEMENT/CONTRACT.

THE FOLLOWING CONDITIONS MUST BE SATISFIED BY THE SUBDIVIDER BEFORE A FINAL PUBLIC REPORT CAN BE ISSUED:

- I. EVIDENCE THAT THE SUBDIVISION INSTRUMENT AUTHORIZING THE SUBDIVISION OF THE COMMUNITY INTO CONDOMINIUMS ("SUBDIVISION INSTRUMENT") HAS BEEN RECORDED IN THE OFFICE OF THE SAN DIEGO COUNTY RECORDER.
- II. EVIDENCE THAT THE DECLARATION OF RESTRICTIONS FOR DEZI ("DECLARATION") HAS BEEN RECORDED IN THE OFFICE OF THE SAN DIEGO COUNTY RECORDER.

- III. EVIDENCE THAT THE DECLARATION ESTABLISHING COVENANTS, CONDITIONS AND RESTRICTIONS AND EASEMENT RIGHTS, MAINTENANCE OBLIGATIONS AND COST SHARING ("**SHARED FACILITIES DECLARATION**") HAS BEEN RECORDED IN THE OFFICE OF THE SAN DIEGO COUNTY RECORDER.
- IV. EVIDENCE THAT THE CONDOMINIUM PLAN (DEZI) ("**CONDOMINIUM PLAN**") HAS BEEN RECORDED IN THE OFFICE OF THE SAN DIEGO COUNTY RECORDER.
- V. EVIDENCE THAT THE NOTICE OF NON-ADVERSARIAL PROCEDURES FOR DEZI ("**912(f) NOTICE**") HAS BEEN RECORDED IN THE OFFICE OF THE SAN DIEGO COUNTY RECORDER.
- VI. A CURRENT PRELIMINARY TITLE REPORT ISSUED BY A LICENSED TITLE INSURANCE COMPANY WHICH REFLECTS THE RECORDATION OF THE SUBDIVISION INSTRUMENT, DECLARATION, SHARED FACILITIES DECLARATION, CONDOMINIUM PLAN AND 912(f) NOTICE MUST BE PROVIDED TO THE DRE.
- VII. EVIDENCE THAT THE ARTICLES OF INCORPORATION FOR DEZI OWNERS ASSOCIATION ("**ARTICLES**") HAVE BEEN FILED WITH THE CALIFORNIA SECRETARY OF STATE.
- VIII. A COPY OF THE EXECUTED ASSOCIATION PROPERTY GRANT DEED AND IRREVOCABLE ESCROW INSTRUCTIONS, IF ANY, WHICH HAVE BEEN DEPOSITED INTO ESCROW, MUST BE PROVIDED TO THE DRE.
- IX. EVIDENCE THAT FINANCIAL ARRANGEMENTS ACCEPTABLE TO DRE HAVE BEEN MADE TO SECURE THE SUBDIVIDER'S OBLIGATIONS TO PAY ASSESSMENTS ON UNSOLD CONDOMINIUM UNITS TO THE ASSOCIATION PER THE COMMISSIONER'S REGULATION 2792(a)(2);
- X. REVIEW OF THE PROPOSED ASSOCIATION BUDGETS MUST BE COMPLETED BY THE DRE.
- XI. EVIDENCE THAT THE ASSOCIATION AND SELLER HAVE ENTERED INTO AND SIGNED THE SUBSIDY AGREEMENT.

PRELIMINARY SUBDIVISION PUBLIC REPORT: IF YOU RECEIVED A PRELIMINARY SUBDIVISION PUBLIC REPORT FOR THIS SUBDIVISION, YOU ARE ADVISED TO CAREFULLY READ THIS CONDITIONAL PUBLIC REPORT SINCE IT CONTAINS INFORMATION THAT IS MORE CURRENT AND PROBABLY DIFFERENT FROM THAT INCLUDED IN THE PRELIMINARY SUBDIVISION PUBLIC REPORT.

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

OVERVIEW OF SUBDIVISION

Location: This subdivision is located at 3241-3247 Mission Village Drive within the city limits of San Diego, CA 92123. Prospective purchasers should acquaint themselves with the kinds of city services available.

Type of Subdivision: This subdivision is a common-interest development of the type referred to as a condominium. It will be governed by an incorporated owners association known as Dezi Owners Association ("**Association**"), which will maintain the association property, which includes association maintenance areas (together, "**Association Property**").

Interests to Be Conveyed: You will receive fee title to a specified unit and an undivided fractional interest as tenants in common in the common area, together with a membership in the Association and rights to use the Association Property.

About This Phase: This is the first phase which consists of approximately 0.96 acres on which the Residential Phase Module 1 containing three (3) buildings with 11 residential units, the Private Drive Module 1, and the Park Module will be constructed. Parking will consist of a 2-car garage attached to each unit and 2 guest parking spaces and 1 ADA compliant space within the Private Drive Module 1. Parking within Private Drive Phase Module 1 is further restricted by the Shared Facilities Declaration.

Common amenities and/or facilities consisting of BBQ grills, park area furnishings, fire pit, retaining wall, trash enclosure, landscaping, irrigation, street, and walkways will be constructed within the Residential Phase Module 1, Private Drive Module 1 and the Park Module. **The estimated completion date is July 2026.**

This Phase is part of the total Subdivision which, if developed as proposed, will consist of a total of two phases containing 25 residential units within the overall projected Subdivision. **The estimated completion date of the overall Subdivision is August 2026.**

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

The Condominium Plan also depicts a separate "**Apartment Module**" adjacent to the Community. An apartment building and other improvements are planned to be constructed within the Apartment Module ("**Apartment Project**"). This Apartment Module is not subject to the Declaration and is not part of the Subdivision. The owner of the Apartment Module is not a member of the Association. However, the Subdivision and the Apartment Module are subject to the "**Shared Facilities Declaration**" described in further detail below, which permits apartment residents and their guests to use certain Association Property and amenities within the Community, all subject to the terms and conditions set forth in the Shared Facilities Declaration.

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

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

SALE OF ALL RESIDENCES: The Subdivider has indicated that he intends to sell all of the units in the subdivision; however, any owner, including the Subdivider, has a legal right to rent or lease the units.

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

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

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

Completion of Association Property: The Subdivider estimates all common facilities within the Association Property including residential structures in this Phase will be completed by approximately **May 2026**.

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

This is a phased Subdivision on one Parcel.

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

MANAGEMENT AND OPERATION

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

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

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

The Declaration: This subdivision will be subject to the Declaration to be recorded in the Office of the San Diego County Recorder.

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

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

TO SECURE FINANCING FOR THIS SUBDIVISION ACCEPTABLE FOR ACQUISITION BY FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA), IT HAS BEEN NECESSARY FOR THE SUBDIVIDER TO INCORPORATE INTO THE DECLARATION AND OTHER MANAGEMENT INSTRUMENTS, PROVISIONS WHICH GIVE THE MORTGAGE LENDER A VOICE IN THE AFFAIRS OF THE ASSOCIATION AND IN THE MANAGEMENT AND OPERATION OF THE SUBDIVISION WHICH A LENDER DOES NOT ORDINARILY HAVE.

Non-Adversarial Procedure: Subdivider has elected to engage in the non-adversarial procedures set forth in Sections 910 through 938 of the California Civil Code. Accordingly, this Subdivision will be subject to a Notice of Non-Adversarial Procedures for Dezi, and any amendments or supplements thereto, all to be recorded in the Office of the San Diego County Recorder. You are advised to know and understand the procedures that have been established.

DOCUMENTS TO BE FURNISHED: THE SUBDIVIDER STATED THAT IT WILL FURNISH THE CURRENT BOARD OF OFFICERS OF THE ASSOCIATION AND EACH INDIVIDUAL PURCHASER WITH THE DEPARTMENT OF REAL ESTATE REVIEWED ASSOCIATION BUDGET.

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

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

THE SUBDIVIDER SHALL MAKE A COPY OF THE ARTICLES, THE BYLAWS, AND THE DECLARATION AVAILABLE FOR EXAMINATION BY A PROSPECTIVE BUYER BEFORE EXECUTION OF AN OFFER TO PURCHASE A CONDOMINIUM UNIT.

A COPY OF EACH MUST ALSO BE GIVEN TO EACH BUYER AS SOON AS PRACTICABLE BEFORE CLOSE OF ESCROW. THESE DOCUMENTS CONTAIN NUMEROUS MATERIAL PROVISIONS THAT SUBSTANTIALLY AFFECT AND CONTROL YOUR RIGHTS, PRIVILEGES, USE, OBLIGATIONS, AND COSTS OF MAINTENANCE AND OPERATION.

YOU SHOULD READ AND UNDERSTAND THESE DOCUMENTS BEFORE YOU OBLIGATE YOURSELF TO PURCHASE A CONDOMINIUM UNIT (BUSINESS AND PROFESSIONS CODE SECTION 11018.6).

MAINTENANCE AND OPERATIONAL EXPENSES

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

Proposed Budgets: The Subdivider has submitted proposed budgets for the management, maintenance and operation of the Association obligations and for long-term reserves when the Community is substantially completed (built-out budget) and an interim budget applicable to this Phase. These proposed budgets are under review by the Department of Real Estate. You should obtain copies of these proposed budgets from the Subdivider.

Under the proposed built-out budget, the monthly regular assessment against each condominium unit will be **\$367.44**. The Association may or may not elect to use this proposed built-out budget when phase 2 is annexed. Under the proposed interim budget for this Phase, the monthly regular assessment against each condominium unit will be **\$669.71**. Of these amounts, the monthly contribution toward long-term reserves which are not to pay for current management, maintenance and operating expenses are **\$121.89** and **\$150.60**, respectively.

YOU SHOULD BE AWARE THAT IF, AND WHEN THE ADDITIONAL PHASE IS ANNEXED INTO THE SUBDIVISION, THE MONTHLY REGULAR ASSESSMENTS AGAINST YOUR RESIDENTIAL UNIT MAY INCREASE OR DECREASE DEPENDING UPON, AMONG OTHER THINGS, THE NUMBER OF RESIDENTIAL UNITS BEING ANNEXED IN SUCH SUBSEQUENT PHASE AND WHETHER ANY ADDITIONAL ASSOCIATION PROPERTY IS ALSO BEING ANNEXED AS PART OF ANY SUCH PHASE.

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

IF THE BUDGETS FURNISHED TO YOU BY THE SUBDIVIDER SHOWS A MONTHLY ASSESSMENT FIGURE WHICH IS AT LEAST 20% MORE OR AT LEAST 10% LESS THAN THE REGULAR ASSESSMENT AMOUNT SHOWN IN THE FINAL PUBLIC REPORT, YOU SHOULD CONTACT THE CALBRE BEFORE ENTERING INTO A PURCHASE AGREEMENT.

NOTE: IN ADDITION TO THE MONTHLY REGULAR ASSESSMENT, EACH OWNER WILL RECEIVE A UTILITY ASSESSMENT FOR WATER AND SEWER FEES BASED UPON THEIR USAGE AS MEASURED THROUGH THE PROPERTY'S SUB-METERING SYSTEM. IT IS ESTIMATED THE UTILITY ASSESSMENT FOR THIS PHASE WILL AVERAGE \$18.17 PER UNIT PER MONTH.

NOTE: EXPENSES OF OPERATION ARE DIFFICULT TO PREDICT AND EVEN IF ACCURATELY ESTIMATED INITIALLY, MOST EXPENSES INCREASE WITH THE AGE OF FACILITIES AND WITH INCREASES IN THE COST OF LIVING.

BUDGET INFORMATION PROVIDED BY SUBDIVIDER: DELINQUENCIES IN THE PAYMENT OF ASSOCIATION REGULAR ASSESSMENTS AFFECT THE ABILITY OF THE ASSOCIATION TO PERFORM ANY OR ALL OF ITS RESPONSIBILITIES AND COULD ALSO RESULT IN UNFORESEEN SPECIAL ASSESSMENTS LEVIED AGAINST ALL RESIDENTIAL UNITS OR A SIGNIFICANT REDUCTION IN BUDGETED ASSOCIATION SERVICES.

THE SUBDIVIDER MUST IMMEDIATELY NOTIFY THE DEPARTMENT OF REAL ESTATE IN WRITING, IF DELINQUENT ASSESSMENTS HAVE CAUSED THE ASSOCIATION TO RECEIVE TEN PERCENT (10%) LESS INCOME THAN REFLECTED IN THE THEN CURRENT ASSOCIATION BUDGET (REGULATION 2800K).

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

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

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

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

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

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

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

Capital Contribution: On the acquisition of record title to a unit, each buyer of a unit shall contribute to the capital of the Association such amounts to cover the initial months of operation of the Subdivision. This contribution shall be deposited by the buyer into a purchase and sale escrow and disbursed therefrom to the Association, or to Subdivider (if Subdivider has previously advanced such fund on the Owners' behalf).

Subsidy: The Subdivider will enter into an agreement ("**Subsidy Agreement**") with the Association to temporarily subsidize a portion of your monthly regular assessment (the "**Subsidy**"). The Subsidy commences with the first close of escrow in this Phase and terminates on either the date that Regular Assessments commence against Phase 2 in the Community or the date that is twelve (12) months after the Commencement Date, whichever is earlier. The Subsidy Agreement may be extended for either six (6) or twelve (12) months, in accordance with the terms and provisions of the Subsidy Agreement. During the term of the Agreement, the Subdivider will subsidize the monthly installment of Regular Assessments. The amount of the monthly Subsidy for each Condominium shall be **\$302.27**. The Subdivider will make financial arrangements to cover its obligations under the Agreement. You may request a copy of the Subsidy Agreement from the Subdivider. You should be aware that the Subsidy Agreement could expire prior to your purchase of a Condominium, in which case the amount of the monthly installment of the Regular Assessments to be paid by you will increase to the full amount assessable against each Condominium in such Phase.

Shared Facilities Agreement: The Community and the Apartment Module are subject to a Declaration Establishing Covenants, Conditions and Restrictions and Easement Rights, Maintenance Obligations and Cost Sharing ("**Shared Facilities Declaration**"). This Shared Facilities Declaration will be recorded against Community and the Apartment Module. The Association, the owner(s) of the Apartment Module ("**Apartment Owner**") and owners of residential units are bound by the terms of the Shared Facilities Declaration, which provides for the shared use, operation, maintenance and cost allocation of certain facilities (the "**Shared Facilities**") within the Community and the Apartment Module. The Shared Facilities consist generally of the private drives, park and related recreational improvements, storm drain facilities, trash and recycling area, and mailbox cluster, together with related improvements and appurtenances.

This means that residents, and their guests, of the Apartment Project will be permitted to use and enjoy the Shared Facilities, equally with owners of residential units, subject to the terms and conditions set forth in the Shared Facilities Declaration. Under the Shared Facilities Declaration, the Association is primarily responsible for the management, operation, maintenance, repair and replacement of the Shared Facilities (including landscaping and common improvements), while the Apartment Owner is responsible for certain limited items, including maintenance of EV charging stations and reimbursement obligations, and is granted non-exclusive easement rights for use and access to the Shared Facilities. In consideration of such use and maintenance, the Apartment Owner is required to pay its allocable share of the costs and expenses in connection with the Shared Facilities to Association, which includes costs of operation, insurance, taxes, reserves and administration, with such obligation payable monthly; currently, the Apartment Owner's contribution is **\$2,026.28** per month for maintenance and reserves associated with the Shared Facilities. You may request a copy of the Subsidy Agreement from the Subdivider.

USES/ZONING/HAZARD DISCLOSURES

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

Zoning: The properties surrounding this Subdivision are zoned as follows:

North - Multi-Family Residential
 South - Mission Village Dr/Trail head/Single Family Residential
 East - Single Family Residential/School
 West – Ruffin Rd/Open Space

Uses: This Subdivision is surrounded by the following property uses:

Parks

• Serra Mesa Open Space	Approx	450 ft	SW
• Cabrillo Heights Park	Approx	1 mi	NW
• Murray Ridge Park	Approx	1.3 mi	SW
• Rueda Canyon	Approx	1.5 mi	NE
• SDSU Mission Valley River Park	Approx	1.5 mi	SE
• Admiral Baker Golf Course	Approx	1.6 mi	E

Schools

• Taft Middle School	Approx	190 ft	SW
• Cubberly Elementary School	Approx	225 ft	NE
• Wedgeworth Elementary School	Approx	.5 mi	NW
• Juarez Elementary School	Approx	.6 mi	SE
• Jones Elementary School	Approx	.8 mi	SW
• Angier Elementary School	Approx	1 mi	NW
• Kearney High School	Approx	1.8 mi	SW

Hospitals

• Sharp Memorial Hospital	Approx	1.3 mi	SW
• Rady's Children's Hospital	Approx	1.3 mi	SW

Attractions

• Snapdragon Stadium	Approx	1.1 mi	SE
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Hazards: The following hazards exist within or near this Subdivision:

- | | | | |
|--------------------------------------|--------|--------|----|
| • Montgomery Gibbs Executive Airport | Approx | .8 mi | NW |
| • Interstate 15 | Approx | 0.8 mi | E |
| • Interstate 805 | Approx | 1.2 mi | W |
| • CA State Route 163 | Approx | 1.5 mi | NW |
| • Railroad Tracks | Approx | 1.5 mi | SE |
| • San Diego River | Approx | 1.6 mi | SE |
- Project is located within 1 mile of a Commercial or Industrial zone
 - Project is within the California Energy Commission zone
 - Within 1 mile of formerly used ordnance site: Camp Elliot

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

CHANGE IN FIRE HAZARD SEVERITY ZONES. THE MAPS FOR THE STATE RESPONSIBILITY AREA AND LOCAL RESPONSIBILITY AREA INDICATING WHAT FIRE HAZARD SEVERITY ZONE THAT THE PROPERTY IS IN (IF AT ALL) CAN CHANGE.

YOU SHOULD KEEP APPRISED OF THE CURRENT FIRE HAZARD SEVERITY ZONE THAT THE PROPERTY MAY BE IN.

IN THE EVENT THE PROPERTY IS IN A FIRE HAZARD SEVERITY ZONE AND THAT FIRE HAZARD SEVERITY ZONE DECREASES, SUBDIVIDER WILL BE REQUIRED TO PROVIDE YOU WITH AN UPDATED INDIVIDUAL NATURAL HAZARD DISCLOSURE REPORT FOR YOUR REVIEW.

IN THE EVENT THE PROPERTY IS LATER MAPPED TO BE IN A FIRE HAZARD SEVERITY ZONE OR THE PROPERTY IS ALREADY IN A FIRE HAZARD SEVERITY ZONE AND THAT FIRE HAZARD SEVERITY ZONE INCREASES BEFORE YOU CLOSE ESCROW ON THE PROPERTY, SUBDIVIDER WILL BE REQUIRED TO PROVIDE YOU WITH A DISCLOSURE REGARDING THE CHANGE AND AN UPDATED INDIVIDUAL NATURAL HAZARD DISCLOSURE REPORT BEFORE YOU CLOSE ESCROW ON THE PROPERTY.

YOU SHOULD CAREFULLY CONSIDER THE INSURANCE AND OTHER IMPACTS ON YOUR FINANCIAL SITUATION THAT COULD RESULT IN THE EVENT THE PROPERTY IS LATER MAPPED TO BE IN A FIRE HAZARD SEVERITY ZONE OR THE FIRE HAZARD SEVERITY ZONE INCREASES AND YOU CHOOSE TO SUBSEQUENTLY CLOSE ESCROW ON THE PROPERTY.

Insurance. The inherent risks of wildfires in California along with the fire zone designation for the property may have an adverse impact on insurance premiums for homeowner's insurance or homeowner's insurance (fire insurance in particular) may not be available at all. If fire insurance is not available from a traditional carrier, then basic fire insurance may be available through the California FAIR Plan, but it may have certain limitations or exclusions on coverage as compared to traditional carriers. You should consult with a licensed California insurance agent for additional information about the costs and availability of insurance for the property. Subdivider has provided no assurance or guarantees as to whether any type of insurance is or will be available for the property or what the cost may be. The availability and cost of association fire or other casualty insurance for the common area may be similarly impacted as a result of the subdivision being located in a fire zone. This impact may result in the lack of insurance or assessment increases due to increases in insurance costs over time.

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

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

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

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

TITLE

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

Additionally, the preliminary report shows title, among other things, to be subject to the Storm Water Management and Discharge Control Maintenance Agreement recorded May 15, 2024 as Instrument No. 2024-0122589.

Easements: Easements for utilities and other purposes are shown on the preliminary report, the subdivision map and condominium plan to be recorded in the Office of the San Diego County Recorder.

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

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

TAXES

Regular Taxes: The maximum amount of any tax on real property that can be collected annually by counties is 1% of the full cash value of the property. With the addition of interest and redemption charges on any indebtedness, approved by voters prior to July 1, 1978, the total property tax rate in most counties is approximately 1.25% of the full cash value. In some counties, the total tax rate could be well above 1.25% of the full cash value. For example, an issue of general obligation bonds previously approved by the voters and sold by a county water district, a sanitation district or other such district could increase the tax rate.

The property tax for the subdivision is 1.251140% for tax year 2025-2026.

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

Notice of Your 'Supplemental' Property Tax Bill

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

FINANCING

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

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

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

Due-on-Sale Clause: If the loan instrument for financing your purchase of an interest in this subdivision includes a due-on-sale clause, the clause will be automatically enforceable by the lender when you sell the property. This means that the loan will not be assumable by a purchaser without the approval of the lender. If the lender does not declare the loan to be all due and payable on transfer of the property by you, the lender is nevertheless likely to insist upon modification of the terms of the instrument as a condition to permitting assumption by the purchaser. The lender will almost certainly insist upon an increase in the interest rate if the prevailing interest rate at the time of the proposed sale of the property is higher than the interest rate of your promissory note.

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

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

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

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

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

PURCHASE MONEY HANDLING

The subdivider must impound all funds (purchase money) received from you in an escrow depository until legal title is delivered to you. Refer to Business and Professions Code Sections 11013, 11013.1, and 11013.2(a).

If the escrow has not closed on your unit within one (1) year of the subdivider's acceptance of your offer you may request the return of your purchase money deposit.

IF THE FINAL PUBLIC REPORT HAS NOT BEEN ISSUED WITHIN SIX (6) MONTHS FROM THE DATE OF THE ISSUANCE OF THIS CONDITIONAL PUBLIC REPORT YOU MAY REQUEST THE RETURN OF YOUR DEPOSIT. THE TERM OF THE CONDITIONAL PUBLIC REPORT MAY BE EXTENDED FOR AN ADDITIONAL SIX (6) MONTH TERM.

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

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

SOILS AND GEOLOGIC CONDITIONS

Soils and geologic information is available at City of San Diego – 1222 First Ave., San Diego, CA 92101.

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

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

UTILITIES AND OTHER SERVICES

Water and Sewage Disposal: The City of San Diego will supply water and sewage disposal to the Subdivision, however a sub-metering system will measure water usage for each residential unit and water and sewer charges will be separately billed for each residential unit by the Association or a private third-party. Although these charges may be billed by the Association, they will not be a part of the regular assessments of the Association. These charges include water costs and/or fees based upon usage as measured through the sub-metering system, sewage disposal costs and/or fees, and may include other charges, including, but not limited to, sub-meter reading and administration fees and utility taxes.

Schools: This subdivision lies within the San Diego Unified School District. This district advises the schools initially available to this subdivision are:

Cubberley Elementary School (UTK-5)
3201 Marathon Dr.
San Diego, CA 92123
(619) 605-3900

Taft Middle School (6-8)
9191 Gramercy Dr.
San Diego, CA 92123
(858) 935-2650

Kearney High School (9-12)
1954 Komet Way
San Diego, CA 92123
(858) 221-5300

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

CONTACTING THE DEPARTMENT OF REAL ESTATE

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

**Department of Real Estate
Subdivisions South
320 W. 4th Street, Suite 350
Los Angeles, CA 90013-1105
(213) 270-9965**