

SHERI KEENE  
ESCROW OFFICER



*First American  
Title Company*

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San Diego, CA 92130  
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**Brian J. Sabourin**

Branch Manager

**Liberty West**  
Mortgage

6333 Greenwich Dr, Ste 100A

San Diego, CA 92122

Office: 858-552-2120

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**CREATIVE TOUCH  
INTERIORS**

7720 Kenamar Court, Suite C  
San Diego, CA 92121

**APPOINTMENT SCHEDULING**

Phone: 858-527-6621

Fax: 858-693-5460

[www.ctihome.com](http://www.ctihome.com)



creative touch interiors

# Pro-vence by Cornerstone Communities

PAINT: FZ= FRAZEE	CERAMIC TILES & FIELD TILE: CAL. POTTERY	7	5/06/05 (CORRECTED SCHEME 1 SHUTTER COLOR)
ROOF (CONCRETE): HANSON	GROUT FOR CERAMIC TILES: CUSTOM	8	5/18/05 (REVISED STUCCO SCHEMES # 5, 8 & 9)
ROOF (ASPHALT SHINGLE): CERTAIN TEED	BUILDING PRODUCTS	9	6/3/05 (REVISED ALL SCHEMES - ADDED FRONT DOOR STAIN & FIELD TILE & GROUT COLOR)
STUCCO: EXPO ("A" ELEVS., 20/30 FINISH & "B" & "C" ELEVS 16/20 FINISH)	WINDOWS: ALPINE WINDOWS	10	8/10/05 (ISSUED MODEL PAINTER'S BOOK TO FIELD FOR CONSTRUCTION)
BRICK: ACME, INTERPACE	STONE: ELDORADO	11	8/31/05 (ADDED WINDOW TRIM & METAL CHIMNEY CAP COLORS)
FRONT DOORS: THERMA TRU RUSTIC	MORTAR: OBP (ORCO BLENDED PRODUCTS)	12	12/14/05 (CHANGED SCHEME 1 AWNING & SCHEME 7 ACCENT TILE)
AWNINGS: SUNBRELLA		13	2/3/06 (CHANGED AWNING FABRICS)

MODELS	MODEL 2A					MODEL 3B	MODEL 1C		
SCHEME #	1	2	3	4	5	6	7	8	9
WOODEN FASCIA / TRIM & EAVES & GARAGE DOORS	FZ 5225N MUDPIE	FZ 8715D MOOSE POINTE	FZ 8726N MOCHA BROWN	FZ 8736N LITTLE BIGHORN	FZ 8665D GRISTMILL	FZ 5380W BABY'S BREATH	FZ 5384D QUAIL	FZ 8735D WILD COUNTRY	FZ 5715N BISON
TRIM @ WINDOWS & DOORS	FZ 5225N MUDPIE	FZ 8715D MOOSE POINTE	FZ 8726N MOCHA BROWN	FZ 5631W BRIE	FZ 181 WHITE SHADOW	FZ 5380W BABY'S BREATH	FZ CW033W FLORAL WHITE	SW 6108 LATTE	SW 6120 BELIEVABLE BUFF
FRONT DOOR(STAIN)	DARK WALNUT	DARK ENGLISH WALNUT	DARK WALNUT	DARK ENGLISH WALNUT	DARK WALNUT	ENGLISH WALNUT	ENGLISH WALNUT	WALNUT	DARK ENGLISH WALNUT
BASE STUCCO	1	57	479	362	472 3/4	3794 3/4	475 3/4	3935	387 D/C
STUCCO PAINT MATCH	FZ 001 WHITE	FZ CW033W FLORAL WHITE	FZ 5631W BRIE	FZ 8233M CRISP KHAKI	FZ 8672W TEQUILLA	FZ 8224M BALSAM BARK	FZ 544 FLAGSTONE	FZ 8223M SIENNA SAND	SW 6123 BAGUETTE
PAINT MATCH FOR PRE CAST ORNAMENTATION SHUTTERS	FZ 8683W TINDERBOX	FZ 8713W KINDLING WOOD	FZ 8673M TAVERN TAUPE	FZ 5631W BRIE	FZ 181 WHITE SHADOW	FZ 5380W BABY'S BREATH	FZ CW033W FLORAL WHITE	SW 6108 LATTE	SW 6120 BELIEVABLE BUFF
METAL CHINEY CAPS	FZ 5225N MUDPIE	BM HC 109	FZ 8656N GREEK OLIVE	FZ 8736N LITTLE BIGHORN	FZ 8826N MANGANESE	SW 7040 SMOKEHOUSE	FZ 5395A DELTA	FZ 8816N BURNT HICKORY	FZ 5635N EARL GRAY
AWNINGS	4631 BURGUNDY (SOLID)	4971 LAKEWOODLAND (STRIPE)	4631 BURGUNDY (SOLID)	4949 FOREST VINTAGE (STRIPE)	4640 BLACK CHERRY (SOLID)		4972 LANKFORD WILLOW (STRIPE)		
CERAMIC ACCENT TILES ("A" ELEVS.)	FD 109	FD 115	FD 208	FD 104	FD 194		FD 199		
FIELD TILE	121	91	121	27	126		24		
GROUT	380 HAYSTACK	135 MUSHROOM	105 EARTH	45 SUMMER WHEAT	335 WINTER GRAY		382 BONE		
BRICK				INTERPACE CALEDONIA	ACME TRENTON ESTATE	ACME COUNTRY FRENCH	ACME MOSSY ROCK	ACME CASTLEROCK	ACME OLDE TOWNE
MORTAR COLOR & APPLICATION				OBP LT KHAKI SPONGE FINISHED	OBP SOFT WHITE SPONGE FINISHED	OBP LT KHAKI SPONGE FINISHED	OBP LT KHAKI SPONGE FINISHED	OBP LT KHAKI SPONGE FINISHED	OBP LT KHAKI SPONGE FINISHED
STONE							MESETA FIELD LEDGE	VENETO FIELD LEDGE	LUCERA HILLSTONE
MORTAR COLOR & APPLICATION							OBP LT KHAKI SPONGE FINISHED	OBP LT KHAKI SPONGE FINISHED	OBP LT KHAKI SPONGE FINISHED
WINDOWS	TAN	WHITE	TAN	TAN	WHITE	WHITE	WHITE	TAN	TAN
ROOF "S" ("A" & "C" ELEV.)	R-536	R-582	R-583	R-583	R-550		R-532	R-536	R-582
ROOF "B" ELEV. ASPHALT SHINGLE W/ BARREL TILE ON HIPS & RIDGES				WEATHERED WOOD R-532	DRIFTWOOD R-550	HEATHER BLEND R-550			

NOTES: ALL WROUGHT IRON TO MATCH OR TO BE PAINTED FZ 8786N IN A MATTE FINISH  
 ALL FAUX CLAY PIPES TO MATCH FZ 8285A - MONK'S HOOD  
 PAINT MATCH FOR BASE STUCCO - USED FOR EXTERIOR SHEET METAL FLASHING, UTILITY VENTS, GARAGE EXIT DOOR & JAMB & UTILITY BOXES

# Estimated Move-in Costs and Monthly Payments

Provence

6196560284

Prepared For: Amir Tafreshi

Home Site: 37 / 2

Plan: Plan 2 C

Move-in Costs		Price Details		Monthly Payments	
Down Payment	169,998	Price	\$849,990	Principal & Interest	\$4,186
Loan Fees	\$0	Premium	\$0		
		Options	\$0		
Interest Proration	\$3,541	<b>Total Price</b>	<b>\$849,990</b>	Mortgage Ins:	\$283
Mortgage Insurance	\$566	<b>Loan Features</b>		Property Tax	\$814
Property Taxes	\$3,256	<b>Jumbo, 30 Yr, Fixed</b>		Homeowner's Ins:	\$56
Homeowner's Ins:	\$784	% Down	20.0%	HOA	\$252
HOA	\$504	Rate	6.250%	Other Monthly	\$0
Miscellaneous §	\$4,981	Loan Amt	\$679,992		
		M.I.P.	\$0		
<b>Total Move-In</b>	<b>183,630</b>	<b>Total Loan</b>	<b>\$679,992</b>	<b>Total Monthly:</b>	<b>\$5,591</b>

## Sales Representative

Martha Felix

Date: 09/23/08

**Lender Information:**  
**Liberty West Mortgage**  
**Brian Sabourin**  
**(858) 552-2120**

BUYERS INITIALS

AIT AT

§ Details of miscellaneous costs:

Appraisal	400
Credit Report	10
Document Processing	250
Escrow Fee (Provence)	2,719

# Debt - To - Income Pre-Qualification Worksheet

Provence  
6196560284

Details					
Home Site 37 / 2					
Plan	Plan 2 C	Down Payment	169,998	Loan Amt	\$679,992
Price	\$849,990	Est. Closing Costs	<u>\$13,420</u>	Fin. P.M.I.	<u>\$0</u>
Loan	Jumbo, 30 Yr, Fixed				
		Total Move-In Costs	183,418	Total Loan	\$679,992

Monthly Income		Anticipated Housing Expense		Monthly Obligations	
Borrower	\$24,000	Principal & Interest	\$4,467	Monthly Debts	\$0
		<small>1st Adjusted Total Payment: \$ 292</small>			
		Mortgage Insurance	\$0		
		Property Tax	\$814		
		Homeowner's Ins.	\$56		
		HOA	\$252		
		Other Monthly	\$0	Housing Expense	\$5,589
Total Income	\$24,000	Housing Expense	\$5,589	Total Expenses	\$5,589

Qualifying Payment **\$5,589**  
 Lender Required Ratios **45 TOP 45 BOTTOM** To Qualify, your ratios should be near or under the lender's required ratios.  
 Your Ratios Are **23 TOP 23 BOTTOM**

## Sales Representative

Martha Felix

Date: 09/23/08

## Lender Information:

Liberty West Mortgage

Brian Sabourin

(858) 552-2120



This is an ESTIMATE of your ability to qualify for financing and not a promise to provide a loan to you. Actual qualification will require submission of a completed application to a lender and will depend on additional lender requirements and your credit history.

A.I.T. *[Signature]*



**First American Title Insurance Company**  
**11512 El Camino Real Suite #350, San Diego, CA 92130**  
**Phone - (858)509-2107 Fax - (866)898-0113**

**VESTING INSTRUCTION AND AMENDMENT**

RE: , **Chula Vista, CA 91914**  
Lot: **x** Tract: **Provence**

Escrow No.: **Provence (SK)**

**NOTE:** Please indicate your choice by checking the appropriate selection. Please fill in the blanks completely and print names exactly as they should appear on all documents and as you will be signing your name.

**PURSUANT TO THE ABOVE REFERENCED ESCROW, ESCROW HOLDER IS INSTRUCTED TO REFLECT MY/OUR NAME(S) AND VESTING AS FOLLOWS:**

1.  **SPOUSES\*** (Print names and marital status, e.g. "husband and wife", "wife and husband", "spouses", "who are married to each other", etc. exactly as they should appear on documents including loan documents)

\_\_\_\_\_ AND

2.  **REGISTERED DOMESTIC PARTNERS\*** (Print names exactly as they should appear on documents including loan documents)

\_\_\_\_\_ AND

**\*If you have selected either option 1 or 2 above, please also select one of the following options:**

- A.  As Joint Tenants
- B.  As Community Property
- C.  As Community Property with right of survivorship
- D.  As Tenants in Common each as to an undivided \_\_\_\_\_% interest - percentage or fraction (i.e., 1/2 or 50%)
- E.  Other, please specify \_\_\_\_\_

- 3.  **MARRIED MAN -AS HIS SOLE AND SEPARATE PROPERTY**
- MARRIED WOMAN -AS HER SOLE AND SEPARATE PROPERTY**
- REGISTERED -AS HIS/HER SOLE AND SEPARATE PROPERTY**
- DOMESTIC PARTNER**

\_\_\_\_\_ Print Name exactly as it should appear on documents, including loan documents

PLEASE INDICATE THE FULL NAME OF THE SPOUSE OR DOMESTIC PARTNER FOR PREPARATION OF DEED:

\_\_\_\_\_

4. [ ] **INDIVIDUAL** (Print names exactly as they should appear on documents including loan documents)

AMIR TAFRESHI

- A.  A SINGLE MAN (never married)
- B.  A WIDOWER (wife is deceased)
- C.  AN UNMARRIED MAN (divorced)
- D.  A SINGLE WOMAN (never married)
- E.  A WIDOW (husband is deceased)
- F.  AN UNMARRIED WOMAN (divorced)

AND ALI IRANI-TEHRANI

- A.  A SINGLE MAN (never married)
- B.  A WIDOWER (wife is deceased)
- C.  AN UNMARRIED MAN (divorced)
- D.  A SINGLE WOMAN (never married)
- E.  A WIDOW (husband is deceased)
- F.  AN UNMARRIED WOMAN (divorced)

**\* If Option 4 above is selected and there is more than one individual please select one of the following:**

- A.  As Joint Tenants
- B.  As Tenants in Common each as to an undivided 50 % interest - percentage or fraction (i.e., 1/2 or 50%)
- C.  Other, please specify \_\_\_\_\_

5. [ ] **TRUST** (Please confirm with your lender if they will make a loan to the trust prior to completing this form)

\_\_\_\_\_ and \_\_\_\_\_  
(Name of Trustee) (Name of Trustee)

\_\_\_\_\_ dated \_\_\_\_\_  
(Name of Trust) (Date of Trust)

**HOW YOU HOLD TITLE TO YOUR PROPERTY CAN HAVE SERIOUS TAX CONSEQUENCES. IT IS STRONGLY RECOMMENDED THAT YOU SEEK TAX AND/OR LEGAL COUNSEL WHEN COMPLETING THIS FORM.**

Mail to:  
2-10 HBW®  
1728 Montreal Cir.  
Tucker, GA 30084

# BUILDER APPLICATION FOR HOME ENROLLMENT

FORM 302  
THIS DOCUMENT IS NOT YOUR NEW HOME WARRANTY



Home Buyers Warranty®

The undersigned Builder Member makes application to enroll in the 2-10 HBW® Program the home whose address is listed below. The Builder Member is responsible to complete all enrollment requirements on the home. If all enrollment requirements are not completed on the new home, no coverage by the Builder's Warranty Insurer will be provided. The Buyer will receive the Certificate of Warranty Coverage and Warranty Booklet within 30 days of receipt of this Application and full payment. **If the buyer has not received the Certificate of Warranty Coverage and Warranty Booklet from 2-10 HBW® within THIRTY (30) days after closing, THE BUYER SHOULD CONTACT THE BUILDER.**

**Texas Builders only:**  
Date construction commenced or purchase agreement, whichever is earlier.  
\_\_\_\_\_

PLEASE PRINT OR TYPE:

- Buyer(s): Amir Tafreshi + Ali Imani-Tehrani  
(Name(s) as recorded on deed)  
Address of Home: 362 Bryan Point Pl, Chula Vista, Ca. 91914  
Street Address City State Zip Code  
Lot / Block: 37 Subdivision: Provence
- Builder Name: Cornerstone Communities 2-10 HBW® Builder No: \_\_\_\_\_
- Effective Date of Warranty: Date of Closing: 10-31-08 Date of earlier first occupancy if before closing: \_\_\_\_\_

**CONDOMINIUMS ONLY:** Effective date of Common Elements Coverage is the date title is transferred on the first unit in the building.  
Specify date: \_\_\_\_\_  
No common elements coverage will be provided unless all units in a building are enrolled.

- COVERAGE: Both the Builder and Buyer(s) must check and initial which of the following coverage(s) apply to the unit being enrolled.
  - A.  A.I.T / AT 1-Year Workmanship / 2-Year Systems / 10-Year Structural Coverage
  - B.  10-Year Structural Coverage Only
  - C.  "Indiana Only" 2-Year Workmanship / 2-Year Systems / 4-Year Roof / 10-Year Structural
- Type of Home:  Single Family Detached  Duplex  Single Family Attached (3 or more units, including town homes)  
If Multi Family:  Low Rise (1-2 Story)  Mid Rise (3-5 Story)  High Rise (6 Story or Greater)
- Type of Construction:  Site Built  Modular  Manufactured with Permanent Foundation
- Type of Financing:  FHA/VA  RHS  Conventional  Cash  
FHA/VA Check One: A.  FHA/VA using Bldg. Permit; C.O./or equivalent and HUD-92544  
B.  FHA/VA using HUD-approved 2-10 warranty

8. Rate Formula:

$$\begin{array}{ccccccc}
 \boxed{849.900} & + & 1,000 & = & \boxed{849.90} & \times & \boxed{2.4-50} & = & \boxed{1990} & \times & \boxed{\cancel{1.25}} & = & \boxed{1990}^{(A)} \\
 \text{Final Sales Price} & & & & & \text{Rate} & & & \text{Basic Warranty Fee} & & \text{if price does not include land} & & \text{Basic Warranty Fee}
 \end{array}$$

$$\begin{array}{ccccccc}
 \boxed{1990}^{(A)} & + & \boxed{N/A}^{(B)} & = & \boxed{1990} \\
 \text{Basic Warranty Fee} & & \text{Final Sale Price x \$1.00 per \$1,000 for condo wood stairs \& landings coverage} & & \text{A + B = Total Warranty Fee Due}
 \end{array}$$

**BUYER'S ACKNOWLEDGEMENT AND CONSENT**

This is an application to enroll your home in the 2-10 HBW® New Home Warranty program. By signing below, Buyer acknowledges reading a sample copy of the 2-10 HBW Warranty Booklet, and **CONSENTS TO THE TERMS OF THESE DOCUMENTS INCLUDING THE BINDING ARBITRATION PROVISION** contained therein. \_\_\_\_\_ Buyer further understands that when the warranty is issued on the new home, it is an Express Limited Warranty and that all claims and liabilities are limited to and by the terms and conditions of the Express Limited Warranty as stated in the 2-10 HBW® Booklet. **If this form is received more than 12 months after closing, Buyer agrees to accept 10-Year Structural Coverage only.**

**BUILDER'S AUTHORIZED SIGNATURE** \_\_\_\_\_ Date \_\_\_\_\_

Buyer(s) Signature [Signature] Date 9-23-08  
Buyer(s) Signature [Signature] Date 9-23-08  
Buyer(s) Phone # \_\_\_\_\_ Date \_\_\_\_\_

**OFFICE USE ONLY**

Accounting: \_\_\_\_\_  
Risk Mgmt: \_\_\_\_\_  
Warranty No. \_\_\_\_\_

Project: PROVENCE

DRE Phase: 2

Unit/Lot: 37

**INCENTIVE DISCLOSURE 1**

THIS INCENTIVE DISCLOSURE ("Disclosure") is provided to Prospective Buyer ("Buyer") in connection with their interest to purchase the above referenced ("Property").

The incentive shall be paid through escrow by Seller upon Buyer's satisfaction of all of the following conditions precedent: (i) Buyer obtains financing through Liberty West Mortgage ("Lender"), (ii) Buyer uses title and escrow services through First American Title Insurance Company for this escrow as well as the escrows on existing residence if contingent, and (iii) Buyer closes escrow on or before the Closing Date described in the Agreement.

Should Prospective Buyer enter into a Real Estate Purchase Agreement ("Agreement"), Seller will credit the total amount of \$ 65,000 ("Incentive") towards one or more of the following:

**Options, Upgrades, and Floor Covering** (Said items would be included as part of the Property without adjusting the Purchase Price set forth in the Agreement or could be pre-plotted by the Seller and, therefore, at no additional cost to Buyer.)

**NO CREDIT WILL BE ISSUED FOR ANY PART OF THE INCENTIVE NOT USED. THERE ARE NO CASH REBATES.**

THIS DISCLOSURE SHALL NOT BE BINDING UPON SELLER UNLESS AND UNTIL IT HAS BEEN EXECUTED BY AN AUTHORIZED REPRESENTATIVE OF SELLER (NOT SALES REPRESENTATIVE) AND A FULLY EXECUTED COPY HAS BEEN RETURNED TO BUYER.

PROSPECTIVE BUYER:

[Signature]  
[Signature]

Date: \_\_\_\_\_

SELLER:

[Signature]  
Authorized Representative

Date: \_\_\_\_\_

# Escrow General Provisions

The parties understand and acknowledge:

## 1. SPECIAL DISCLOSURES:

### A. DEPOSIT OF FUNDS & DISBURSEMENTS

Unless directed in writing to establish a separate, interest-bearing account together with all necessary taxpayer reporting information, all funds shall be deposited in general escrow accounts in a federally insured financial institution including those affiliated with Escrow Holder ("depositories"). All disbursements shall be made by Escrow Holder's check or by wire transfer unless otherwise instructed in writing. The Good Funds Law (California Insurance Code 12413.1) mandates that Escrow Holder may not disburse funds until the funds are, in fact, available in Escrow Holder's account. Wire transfers are immediately disburseable upon confirmation of receipt. Funds deposited by a cashier's or certified check are generally available on the next banking day following deposit. Funds deposited by a personal check and other types of instruments may not be available until confirmation from Escrow Holder's bank which can vary from 2 to 10 days.

### B. DISCLOSURE OF POSSIBLE BENEFITS TO ESCROW HOLDER

As a result of Escrow Holder maintaining its general escrow accounts with the depositories, Escrow Holder may receive certain financial benefits such as an array of bank services, accommodations, loans or other business transactions from the depositories ("collateral benefits"). All collateral benefits shall accrue to the sole benefit of Escrow Holder and Escrow Holder shall have no obligation to account to the parties to this escrow for the value of any such collateral benefits.

### C. MISCELLANEOUS FEES

Escrow Holder may incur certain additional costs on behalf of the parties for services performed by third party providers. The fees charged by Escrow Holder for services such as wire transfers or overnight delivery/courier services may include a mark up over the direct cost of such services to reflect the averaging of direct, administrative and overhead charges of Escrow Holder for such services which shall, in no event, exceed \$10 for each item.

### D. METHOD TO DELIVER PAYOFF TO LENDERS/LIENHOLDERS

To minimize the amount of interest due on any existing loan or lien, Escrow Holder will deliver the payoff funds to the lender/lienholder in an expeditious manner as demanded by the lender/lienholder using (a) personal delivery, (b) wire transfer, or (c) overnight delivery service, unless otherwise directed in writing by the affected party.

## 2. PRORATIONS & ADJUSTMENTS

The term "close of escrow" means the date on which documents are recorded. All prorations and/or adjustments shall be made to the close of escrow based on the number of actual days, unless otherwise instructed in writing.

## 3. CONTINGENCY PERIODS

Escrow Holder shall not be responsible for monitoring contingency time periods between the parties. The parties shall execute such documents as may be requested by Escrow Holder to confirm the status of any such periods.

## 4. REPORTS

As an accommodation, Escrow Holder may agree to transmit orders for inspection, termite, disclosure and other reports if requested, in writing or orally, by the parties or their agents. Escrow Holder shall deliver copies of any such reports as directed. Escrow Holder is not responsible for reviewing such reports or advising the parties of the content of same.

## 5. INFORMATION FROM AFFILIATED COMPANIES

Escrow Holder may provide the parties' information to and from its affiliates in connection with the offering of products and services from these affiliates.

## 6. RECORDATION OF DOCUMENTS

Escrow Holder is authorized to record documents delivered through escrow which are necessary or proper for the issuance of the requested title insurance policy(ies). Buyer will provide a completed Preliminary Change of Ownership Report form ("PCOR"). If Buyer fails to provide the PCOR, Escrow Holder shall close escrow and charge Buyer any additional fee incurred for recording the documents without the PCOR. Escrow Holder is released from any liability in connection with same.

## 7. PERSONAL PROPERTY TAXES

No examination, UCC search, insurance as to personal property and/or the payment of personal property taxes is required unless otherwise instructed in writing.

## 8. REAL PROPERTY TAXES

Real property taxes are prorated based on the most current available tax statement from the tax collector's office. Supplemental taxes may be assessed as a result of a change in ownership or completion of construction. 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 Escrow Holder is released of any liability in connection with such adjustments. The first installment of California real property taxes is due November 1<sup>st</sup> (delinquent December 10<sup>th</sup>) and the second installment is due February 1<sup>st</sup> (delinquent April 10<sup>th</sup>). If a tax bill is not received from the County at least 30 days prior to the due date, buyer should contact the County Tax Collector's office and request one. Escrow Holder is not responsible for same.

## 9. CANCELLATION OF ESCROW

Any party desiring to cancel this escrow shall deliver written notice of cancellation to Escrow Holder. Within a reasonable time after receipt of such notice, Escrow Holder shall send by regular mail to the address on the escrow instructions, one copy of said notice to the other party(ies). Unless written objection to cancellation is delivered to Escrow Holder by a party within 10 days after date of mailing, Escrow Holder is authorized, at its option, to comply with the notice and terminate the escrow. If a written objection is received by Escrow Holder, Escrow Holder is authorized, at its option, to hold all funds and documents in escrow (subject to the funds held fee) and to take no other action until otherwise directed by either the parties' mutual written instructions or a final order of a court of competent jurisdiction. If no action is taken on this escrow within 6 months after the closing date specified in the escrow instructions, Escrow Holder's obligations shall, at its option, terminate. Upon termination of this escrow, the parties shall pay all fees, charges and reimbursements due to Escrow Holder and all documents and remaining funds held in escrow shall be returned to the parties depositing same.

## 10. CONFLICTING INSTRUCTIONS & DISPUTES

If Escrow Holder becomes aware of any conflicting demands or claims concerning this escrow, Escrow Holder shall have the right to discontinue all further acts on Escrow Holder's part until the conflict is resolved to Escrow Holder's satisfaction. Escrow Holder has the right at its option to file an action in interpleader requiring the parties to litigate their claims/rights. If such an action is filed, the parties jointly and severally agree (a) to pay Escrow Holder's cancellation charges, costs (including the funds held fees) and reasonable attorneys' fees, and (b) that Escrow Holder is fully released and discharged from all further obligations under the escrow. If an action is brought involving this escrow and/or Escrow Holder, the party(ies) involved in the action agree to indemnify and hold the Escrow Holder harmless against liabilities, damages and costs incurred by Escrow Holder (including reasonable attorneys' fees and costs) except to the extent that such liabilities, damages and costs were caused by the negligence or willful misconduct of Escrow Holder.

THIS COMPANY CONDUCTS ESCROW BUSINESS UNDER CERTIFICATE OF AUTHORITY  
ISSUED BY THE STATE OF CALIFORNIA DEPARTMENT OF INSURANCE.

# Escrow General Provisions

## 11. USURY

Escrow Holder is not to be concerned with usury as to any loans or encumbrances in this escrow and is hereby released of any responsibility and/or liability therefore.

## 12. AMENDMENTS TO ESCROW INSTRUCTIONS

Any amendment to the escrow instructions must be in writing, executed by all parties and accepted by Escrow Holder. Escrow Holder may, at its sole option, elect to accept and act upon oral instructions from the parties. If requested by Escrow Holder the parties agree to confirm said instructions in writing as soon as practicable. The escrow instructions as amended shall constitute the entire escrow agreement between the Escrow Holder and the parties hereto with respect to the subject matter of the escrow.

## 13. INSURANCE POLICIES

In all matters relating to insurance, Escrow Holder may assume that each policy is in force and that the necessary premium has been paid. Escrow Holder is not responsible for obtaining fire, hazard or liability insurance, unless Escrow Holder has received specific written instructions to obtain such insurance prior to close of escrow from the parties or their respective lenders.

## 14. COPIES OF DOCUMENTS; AUTHORIZATION TO RELEASE

Escrow Holder is authorized to rely upon copies of documents, which include facsimile, electronic, NCR, or photocopies as if they were an originally executed document. If requested by Escrow Holder, the originals of such documents shall be delivered to Escrow Holder. Escrow Holder may withhold documents and/or funds due to the party until such originals are delivered. Documents to be recorded **MUST** contain original signatures. Escrow Holder may furnish copies of any and all documents to the lender(s), real estate broker(s), attorney(s) and/or accountant(s) involved in this transaction upon their request. Delivery of documents by escrow to a real estate broker or agent who is so designated in the purchase agreement shall be deemed delivery to the principal.

## 15. EXECUTION IN COUNTERPART

The escrow instructions and any amendments may be executed in one or more counterparts, each of which shall be deemed an original, and all of which taken together shall constitute the same instruction.

## 16. TAX REPORTING, WITHHOLDING & DISCLOSURE

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. Escrow Holder does not provide tax or legal advice and the parties agree to hold Escrow Holder 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. **WITHHOLDING OBLIGATIONS ARE THE EXCLUSIVE OBLIGATIONS OF THE PARTIES. ESCROW HOLDER IS NOT RESPONSIBLE TO PERFORM THESE OBLIGATIONS UNLESS ESCROW HOLDER AGREES IN WRITING.**

### A. TAXPAYER IDENTIFICATION NUMBER REPORTING

Federal law requires Escrow Holder to report seller's social security number or tax identification number (both numbers are hereafter 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 Escrow Holder from certain persons or entities involved (directly or indirectly) in the transaction prior to closing.

Escrow cannot be closed nor any documents recorded until the information is provided and certified as to its accuracy to Escrow Holder. The parties agree to promptly obtain and provide such information as requested by Escrow Holder.

### B. State Withholding & Reporting

Under California law (Rev & Tax Code §18662), a buyer may be required to withhold and deliver to the Franchise Tax Board (FTB) an amount equal to 3.33% of the sales price in the case of disposition of California real property interest ("Real Property") by either: 1) a seller who is an individual, trust or estate or when the disbursement instructions authorize the proceeds to be sent to a financial intermediary of seller; OR 2) a corporate seller that has no permanent place of business in California immediately after the transfer of title to the Real Property. Buyer may be subject to a penalty (equal to the greater of 10% of the amount required to be withheld or \$500) for failing to withhold and transmit the funds to FTB in the time required by law. Buyer is not required to withhold any amount and will not be subject to penalty for failure to withhold if: a) the sales price of the Real Property does not exceed \$100,000; b) the seller executes a written certificate under penalty of perjury certifying that the seller is a corporation with a permanent place of business in California; OR c) the seller, who is an individual, trust, estate or a corporation without a permanent place of business in California, executes a written certificate under penalty of perjury certifying one of the following: (i) the Real Property was the seller's or decedent's principal residence (as defined in IRC §121); (ii) Real Property being conveyed was last used by the seller as seller's principal residence within the meaning of IRC §121 (even if the seller did not meet the two out of the last five years requirement or one of the special circumstances in IRC §121); (iii) the Real Property is or will be exchanged for property of like-kind (as defined in IRC §1031) and that 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 §1031; (iv) the Real Property has been compulsorily or involuntarily converted (as defined in IRC §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 §1033; or (v) the Real Property sale 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.

**Contact FTB:** For additional information regarding California withholding, contact the Franchise Tax Board at (toll free) 888-792-4900), by e-mail [nrws@ftb.ca.gov](mailto:nrws@ftb.ca.gov); or visit their website at [www.ftb.ca.gov](http://www.ftb.ca.gov).

### C. FEDERAL WITHHOLDING & 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.

### D. TAXPAYER IDENTIFICATION DISCLOSURE

Federal and state laws require that certain forms include a party's TIN and that such forms or copies of the forms be provided to the other party and to the applicable governmental authorities. Parties to a real estate transaction involving seller-provided financing are required to furnish, disclose, and include the other party's TIN in their tax returns. Escrow Holder is authorized to release a party's TINs and copies of statutory forms to the other party and to the applicable governmental authorities in the foregoing circumstances. The parties agree to hold Escrow Holder harmless against any fees, costs, or judgments incurred and/or awarded because of the release of their TIN as authorized herein.

THIS COMPANY CONDUCTS ESCROW BUSINESS UNDER CERTIFICATE OF AUTHORITY  
ISSUED BY THE STATE OF CALIFORNIA DEPARTMENT OF INSURANCE.

INITIAL  
AT  
AT

Job: 250-002-000 Provence - Phase 2Lot: 37 Plan: 2 Elevation: CAddress: 362 Bryan Point DriveBuyer: Preplotted Lot

Move In Date:

Home Phone:

Work Phone 1:

For:

Work Phone 2:

For:

Daytime Phone:

Notes:

Preplotted Options: PV201C, PV202C, PV203C, PV204, PV205, PV208, PV209, PV210, PV212C, PV213, PV214C, PV219, PV220, PV221C, PV217C.

Schemes

Options Code	Description/Details	Drawing	Quantity	Location	Deleted
		Color		Model Number	
<u>Change 1 - 10/6/2005</u>					
PV201C	Add Entry Courtyard Wall w/Gate - Elevation "C"	<input type="checkbox"/>	1.00		<input type="checkbox"/>
PV202C	Add Fireplace @ Living Room - Elevation "C"	<input type="checkbox"/>	1.00		<input type="checkbox"/>
PV203C	Add Outdoor Fireplace @ Interior Courtyard - Elevation "C"	<input type="checkbox"/>	1.00		<input type="checkbox"/>
PV204	Add Powder 2 @ Study	<input type="checkbox"/>	1.00		<input type="checkbox"/>
PV205	Bedroom 6 / Bath 5 ilo tandem portion of Garage 1	<input type="checkbox"/>	1.00		<input type="checkbox"/>
PV208	Add (2) Pairs of 1-Lite French Doors @ Study/Opt.Bed 7 in lieu of (2) windows	<input type="checkbox"/>	1.00		<input type="checkbox"/>
PV209	Add (1) Pair of 1-Lite French Doors w/Sidelights @ Hall 1 in lieu of sliding glass door	<input type="checkbox"/>	1.00		<input type="checkbox"/>
PV210	Add (1) Pair of 1-Lite French Doors w/Sidelights @ Hall 2 in lieu of sliding glass door	<input type="checkbox"/>	1.00		<input type="checkbox"/>
PV212C	Add (2) Pairs of 1-Lite French Doors @ Family Room - Elev."C" in lieu of (4) windows	<input type="checkbox"/>	1.00		<input type="checkbox"/>
PV213	Add Single 1-Lite French Door w/Sidelites @ Nook	<input type="checkbox"/>	1.00		<input type="checkbox"/>
PV214C	Add (1) Pair of 1-Lite French Doors @ Dining Room - Elev."C" in lieu of window	<input type="checkbox"/>	1.00		<input type="checkbox"/>
PV217C	Add Deck w/(1)Pair of French Doors&Sidelights@Hall-Elev."C"	<input type="checkbox"/>	1.00		<input type="checkbox"/>
PV219	Add Coffee Bar @ Master Bedroom	<input type="checkbox"/>	1.00		<input type="checkbox"/>
PV220	Add Spiral Staircase @ 1st Floor Desk Area/2nd Floor Library	<input type="checkbox"/>	1.00		<input type="checkbox"/>

BUYER'S INITIALS

AII JT

Job: 250-002-000 Provence - Phase 2

Lot: 37 Plan: 2 Elevation: C

Address: 362 Bryan Point Drive

Buyer: Preplotted Lot

Change 1 - 10/6/2005

PV221C Add Outdoor Staircase @ Courtyard - Elevation "C"  1.00

Change 2 - 2/21/2006

CUS845 Add metal flashing to exterior fireplaces  1.00

Change 3 - 2/23/2006

CUS849 Change in veneer subcontractor for opt#PV221B/C.  1.00

Change 4 - 3/28/2006

PV006 Add Sink @ Kitchen Island  1.00

PV007 Add Sink @ Butler's Area  1.00

Change 5 - 9/7/2006

CUS892 Change in scope of work for opt# PV203C & CUS817.  1.00

Note: Delete brick cap from outdoor fireplace @ interior courtyard.

BUYERS INITIALS

AIT AT

# CORNERSTONE COMMUNITIES

## Options Order

Date Issued: 02/10/2007

**Lot Information**

Phase: PROVENCE PHASE 2  
 Tract:  
 Lot: 37 Lot Address: 362 Byron Point Drive  
 Seq: 02  
 Plan: 2 Elev: 0  
 Stage: Cut-Off #5 Color:

**Buyer Information**

PREPLOT

# ADD ORDER

Order Num: 003982 Sold On: //  
 Est COE: //  
 COE: //

Lot#	Qty	Option #	Description	Color	Date Purchased	Unit Price	Total Inst
001	1	ELECD01	Duplex Outlet Price Per Each Specify Location and Quantity		11/21/2006	\$100.00	\$100.00
			WINE ROOM				
002	5	ELECD22	Ceiling Fan J Box with 1 Switch Price Per Each Specify Location and Quantity BDR 6, BDR 2, BDR 3, MASTER, STUDY		11/21/2006	\$200.00	\$1,000.00
003	2	ELECD38	Recessed Can Light Package Four Can Lights on 1 Switch Price Per Each Specify Location and Quantity PAM RM, LOFT		11/21/2006	\$695.00	\$1,390.00
004	1	WHRPL001	Standard Tub at Master Bath 1-K1165-0 72"X42"X21", Sunward Acrylic Oval Drop In		11/21/2006	\$0.00	\$0.00
005	1	ELECD22	Ceiling Fan J Box with 1 Switch Price Per Each Specify Location and Quantity @ study		01/30/2006	\$200.00	\$200.00
006	1	LIF1009	(2) Hull Secones TROY B8264 A1 Lamps 60W (As shown in Plan 2 Model)		01/30/2006	\$885.00	\$885.00
007	1	CAB1004	Cabinet Upgrade IV Upgrade whole house Except Laundry. Laundry to remain White Thermo Foil.  Cabinets and Westlake Raised S Panel - Maple.  Select Grain:		03/28/2008	\$13,030.00	\$13,030.00

We the Buyer(s) do hereby order and authorize the above options at the price stated herein to pay said price; understand that said change or changes may not delay delivery of the property; agree that said changes pertain to the property and market value hereon or in period of this order shall not be returned; agree that seller shall not warrant that the above changes will be performed; but in the event of any such change not performed by the seller, the seller shall refund to Purchaser(s) all monies paid by Purchaser(s) to Seller for any such change not performed, and the parties hereby do mutually agree that such change shall be cancelled with no further obligations or liabilities to one another other than the refund stated herein.

Buyer:  Date: 9-23-08  
 Buyer:  Date: 9-23-08  
 Construction: \_\_\_\_\_ Date: \_\_\_\_\_

PC  
 Representation:  Date: FEB 26 2007  
 CORNERSTONE COMMUNITIES, Inc. Representation: \_\_\_\_\_ Date: \_\_\_\_\_  
 Purchasing: \_\_\_\_\_ Date: \_\_\_\_\_

# CORNERSTONE COMMUNITIES

## Options Order

Date Entered: 02/19/2007

<b>Lot Information</b>	
Phase: PROVENCE PHASE 2	
Tract:	
Lot: 37	Lot Address: 362 Byron Point Drive
Seq: 02	
Plan: 2	Elev: C
Stage: Cut-Off #5	Color:

<b>Buyer Information</b>	
PREPLOT	
Order Num: 003982	Sold On: //
	Est COE: //
	COE: //

Lot#	Qty	Option #	Description	Color	Date Purchased	Unit Price	Total Inst	
			Dark Fruitwood					
			Select One (Only): K-514 Brushed Chrome Plated					
008	1	CAB1042	Opt Bath 5 @ Opt Bed 6 Upgrade IV Cabinet Style / Stain / Knobs To Match 'Whole House Selection'.		03/28/2006	\$1,425.00	\$1,425.00	
009	1	CAB1082	Opt Powder-2 @ Study Upgrade IV Cabinet Style / Stain / Knobs To Match 'Whole House Selection'.		03/28/2006	\$416.00	\$416.00	
010	1	STAIR004	Upgrd Stairs-Wrought Iron Balusters Upgrade includes maple tread ends, newel posts & cap with iron balusters. Full stain-grade first step at Plan 3 Only.		03/28/2006	\$7,485.00	\$7,485.00	
			THIS OPTION DOES NOT INCLUDE THE CASITA Stain to Compliment Kitchen Cabinet					
			Select Wrought Iron Style Simple Knuckle					
			List Cabinet Selection: DARK FRUITWOOD STAIN					
011	1	STAIR014	Library Spiral Staircase Selection Please specify Style: Simple Knuckle (As shown in Plan 2 Model)		03/28/2006	\$0.00	\$0.00	
			This option is only available when Spiral Staircase has been purchased through the Sales Office.					
013	1	FIRPL044	Optional Living Room Option Orisham 4143 in raised Hearth		04/10/2006	\$200.00	\$200.00	
			Aggrestone Sandstone Finish (Select Color): Direct					

I, the Buyer(s) hereby order and agree to the above changes to the price stated; agree to pay said order; understand that sale of this or other property may not delay delivery of the property; agree that sale of this or other property and monies paid hereon or in benefit of this order shall not be refunded; agree that seller does not warrant that the above changes shall be performed, but in the event of any such change not performed by the seller, the seller shall refund to Purchaser(s) all monies paid by Purchaser(s) to Seller for any such change not performed, and the parties hereto do mutually agree that such change shall be cancelled with no further obligations or liability to and neither other than the refund stated herein.

Buyer: \_\_\_\_\_ Date: 9-23-08  
 Buyer: \_\_\_\_\_ Date: 9-23-08  
 Representative: \_\_\_\_\_ Date: \_\_\_\_\_

PC

Salesperson: \_\_\_\_\_ Date: \_\_\_\_\_  
 CORNERSTONE COMMUNITIES Authorized \_\_\_\_\_ Date: \_\_\_\_\_  
 Purchasing \_\_\_\_\_ Date: \_\_\_\_\_

FEB 26 2007

# CORNERSTONE COMMUNITIES

## Options Order

Date Issued: 04/09/2008

**Lot Information**

Phase: PROVENCE PHASE 2  
 Tract:  
 Lot: 37 Lot Address: 362 Byron Point Drive  
 Seq: 02  
 Plan: 2 Elev: C  
 Stage: Cut-Off #5 Color:

**Buyer Information**

PREPLOT

**REVISED**  
4/9/08 RC

Order Num: 003982 Sold On: //  
 Est COE: //  
 Designer: GRSTCHEN TOTH COE: //

Qty	Option #	Description	Color	Date Purchased	Unit Price	Total Inst
1	ELEC001	Duplex Outlet Price Per Each Specify Location and Quantity		11/21/2005	\$100.00	\$100.00
		WINE ROOM				
5	ELEC022	Ceiling Fan J Box with 1 Switch Price Per Each Specify Location and Quantity		11/21/2005	\$200.00	\$1,000.00
		BDR 6, BDR 2, BDR 3, MASTER, STUDY				
2	ELEC038	Recessed Can Light Package Four Can Lights on 1 Switch Price Per Each Specify Location and Quantity		11/21/2005	\$695.00	\$1,390.00
		FAM RM, LOFT				
1	WHRPL001	Standard Tub at Master Bath 1-K1165-0 72"X42"X21", Sunward Acrylic Oval Drop In		11/21/2005	\$0.00	\$0.00
1	ELEC022	Ceiling Fan J Box With 1 Switch Price Per Each Specify Location and Quantity		01/30/2006	\$200.00	\$200.00
		@ study				
1	LIP1009	(2) Hall Sconces TROY B8284 A1 Lamps 60AIF (As shown in Plan 2 Model)		01/30/2006	\$695.00	\$695.00
1	CABI004	Cabinet Upgrade IV Upgrade whole house Except Laundry. Laundry to remain White Thermo Foil.		03/28/2006	\$13,030.00	\$13,030.00

Cabinets are Westlake Raised S Panel - Maple.

Select Stain:

I/We the Buyer(s) do hereby order and authorize the above changes at the price stated; agree to pay said price; understand that said change or changes may not delay delivery of the property; agree that said changes attach to the property and monies paid hereon or in credit of this order shall not be refunded; agree that seller does not warrant that the above change(s) shall be performed, but in the event of any above change not performed by the seller, the seller shall refund to Purchaser(s) all monies paid by Purchaser(s) to Seller for any such change not performed, and the parties hereto do mutually agree that such change shall be cancelled with no further obligations or liabilities to one another other than the refund stated herein.

Buyer \_\_\_\_\_ Date 9-23-08  
 Buyer \_\_\_\_\_ Date 9-23-08  
 Construction \_\_\_\_\_ Date \_\_\_\_\_

Supervisor \_\_\_\_\_ Date \_\_\_\_\_  
 CORNERSTONE COMMUNITIES authorization \_\_\_\_\_ Date APR 10 2008  
 Purchasing \_\_\_\_\_ Date \_\_\_\_\_

# CORNERSTONE COMMUNITIES

## Options Order

Date Issued: 04/09/2008

**Lot Information**

Phase: PROVENCE PHASE 2  
 Tract:  
 Lot: 37 Lot Address: 362 Byron Point Drive  
 Seq: 02  
 Plan: 2 Elev: C  
 Stage: Cur-Off #5 Color:

**Buyer Information**

PREPLOT  
 Order Num: 003982 Sold On: //  
 Est COE: //  
 Designer: GRETCHEN TOTH COE: //

Qty	Option #	Description	Color	Date Purchased	Unit Price	Total Invt
		Dark Fruitwood				
		Select One (Only): K-514 Brushed Chrome Plated				
1	CAB1042	Opt Bath 5 @ Opt Bed 6 Upgrade IV Cabinet Style / Stain / Knobs To Match "Whole House Selection".		03/28/2008	\$1,425.00	\$1,425.00
1	CAB1082	Opt Powder-2 @ Study Upgrade IV Cabinet Style / Stain / Knobs To Match "Whole House Selection".		03/28/2008	\$415.00	\$415.00
1	STAIR004	Upgrd Stairs-Wrought Iron Balusters Upgrade includes maple tread ends, newel posts & cap with iron balusters. Full stain-grade first step or Plan 3 Only.		03/28/2008	\$7,485.00	\$7,485.00
		THIS OPTION DOES NOT INCLUDE THE CASITA Stain to Complement Kitchen Cabinet				
		Select Wrought Iron Style Simple Knuckle				
		List Cabinet Selection: DARK FRUITWOOD STAIN				
1	STAIR018	Library Spiral Staircase Selection Please specify Style: Simple Knuckle (As shown in Plan 2 Model)		03/28/2008	\$0.00	\$0.00
		This option is only available when Spiral Staircase has been purchased through the Sales Office.				
1	FIRPL044	Optional Living Room Option Orisham 4143 on raised Hearth.		04/10/2008	\$200.00	\$200.00
		Aggrystone Sandstone Finish (Select Color): Desert				

With the Buyer(s) do hereby order and authorize the above changes at the price stated; agree to pay said price, understand that said change or changes may not delay delivery of the property; agree that said changes attach to the property and monies paid herewith or in behalf of this order shall not be refunded; agree that seller does not warrant that the above change(s) shall be performed, but in the event of any above change not performed by the seller, the seller shall refund to Purchaser(s) all monies paid by Purchaser(s) to Seller for any such change not performed, and the parties hereto do mutually agree that each change shall be cancelled with no further obligations or liabilities to one another other than the refund stated herein.

Buyer \_\_\_\_\_ Date 9-23-08  
 Buyer \_\_\_\_\_ Date 9-23-08  
 Construction \_\_\_\_\_ Date \_\_\_\_\_

Representative \_\_\_\_\_ Date \_\_\_\_\_  
 CORNERSTONE COMMUNITIES \_\_\_\_\_ APR 10 2008  
 Purchasing \_\_\_\_\_ Date \_\_\_\_\_

# CORNERSTONE COMMUNITIES

## Options Order

Date Entered: 04/09/2008

**Lot Information**

Phase: PROVENCE PHASE 2  
 Tract:  
 Lot: 37 Lot Address: 362 Bryan Point Drive  
 Seq: 02  
 Plan: 2 Elev: C  
 Stage: Cut-Off #5 Color:

**Buyer Information**

PREPLOT  
 Order Num: 003982 Sold On: //  
 Est COE: //  
 Designer: GRETCHEN TOTH COE: //

Qty	Option #	Description	Color	Date Purchased	Unit Price	Total Inst
1	FTRPL002	Upgrade Family Room Fireplace - Grisham Aggestone 4143 With Cladding and Hearth		04/11/2008	\$375.00	\$375.00
		Aggestone Sandstone Finish (Select Color): Desert				
1	BUILT075	Optional Office Bar @ Master Upgrade IV Cabinet Style / Stain / Knobs To Match "Whole House Selection".		04/18/2008	\$1,170.00	\$1,170.00
1	CULTM001	Standard Countertop at Laundry - Cultured Marble		06/09/2008	\$0.00	\$0.00
1	PLUM001	Standard Kitchen Sink Moen 22357 - Stainless Steel Undermount 29x16x8x8		01/30/2007	\$0.00	\$0.00
1	APPLPK003	Kitchenaid Stainless Package AS SHOWN IN PLAN 1 MODEL		02/18/2007	\$785.00	\$785.00
		OVEN B/I ELBC 30" DOUBLE T/C OVER T/C MODEL # KBB9208SSS INSTALL COMPLETE BUILT-IN OVEN-ELEC MODEL # ICOV COOKTOP GAS 36"5 SEALED BURN MODEL# KGCS166GSS INSTALL COMPLETE COOKTOP-GAS MODEL# ICCTG RANGE HOOD TRADITIONAL 36" MODEL# KHTU160KSS RANGE HOOD POWER CORD MODEL # HOODPT3 INSTALL COMP RANGE HOOD-VENTED/ NONVENTD MODEL # ICRGHD MICROWAVE OVEN FULL SIZE 1.5 SENSOR MODEL # KCMS555SSS I/C M/W-BI/COUNTER/UNDBR CABINET MODEL # ICMWC M/W 1.5 SIZE 30" TRIM KIT MODEL # MK1150XPS DISHWASHER B/I SCYC 40PT INTEGRATED MODEL #				

I/We the Buyer(s) do hereby order and authorize the above changes at the price stated; agree to pay said price; understand that said change or changes may not delay delivery of the property; agree that said changes relate to the property and monies paid hereon or in behalf of this order shall not be refunded; agree that seller does not warrant that the above changes will be performed, but in the event of any above change not performed by the seller, the seller shall refund to Purchaser(s) all monies paid by Purchaser(s) to Seller for any such change not performed, and the parties hereto do mutually agree that each change shall be cancelled with no further obligations or liabilities to one another; other than the refund stated herein.

Buyer: [Signature] Date: 9-23-08  
 Buyer: [Signature] Date: 9-23-08  
 Construction: \_\_\_\_\_ Date: \_\_\_\_\_

Cornerstone: [Signature] Date: APR 10 2008  
 Purchasing: \_\_\_\_\_ Date: \_\_\_\_\_

# CORNERSTONE COMMUNITIES

## Options Order

Date Issued: 04/09/2008

### Lot Information

Phase: PROVENCE PHASE 2  
Tract:  
Lot: 37 Lot Address: 362 Byron Point Drive  
Seq: 02  
Plan: 2 Elev: C  
Stage: Cut-Off #5 Color:

### Buyer Information

PRRLOT  
Order Num: 003982 Sold On: //  
Est COE: //  
Designer: GRETCHEN TOTH COE: //

Qty	Option #	Description	Color	Date Purchased	Unit Price	Total Inst
		KUDT03FTSS DISHWASHER POWER CORD 3 PRONG MODEL # 4317824 INSTALL COMPLETE DISHWASHER MODEL # ICDW				

I/We the Buyer(s) do hereby order and authorize the above changes at the price stated, agree to pay said price, understand that said change or changes may not delay delivery of the property, agree that said changes attach to the property and monies paid hereunder or in behalf of this order shall not be refunded; agree that seller does not warrant that the above change(s) shall be performed, but in the event of any above change not performed by the seller, the seller shall refund to Purchaser(s) all monies paid by Purchaser(s) to Seller for any such change not performed, and the parties hereto do mutually agree that such change shall be cancelled with no further obligations or liabilities to one another other than the refund stated herein.

Buyer [Signature] Date 9-23-08  
 Buyer [Signature] Date 9-23-08  
 Construction \_\_\_\_\_ Date \_\_\_\_\_

Salesperson [Signature] Date APR 10 2008  
 CORNERSTONE COMMUNITIES As \_\_\_\_\_ Date \_\_\_\_\_  
 Purchasing \_\_\_\_\_ Date \_\_\_\_\_

# CORNERSTONE COMMUNITIES

## Options Order

Date Issued: 04/09/2008

**Lot Information**

Phase: PROVENCE PHASE 2  
 Tract:  
 Lot: 37 Lot Address: 362 Byron Point Drive  
 Seq: 02  
 Plan: 2 Elev: C  
 Stage: Cur-Off #5 Color:

**Buyer Information**

PREPLOT  
 Order Num: 003982 Sold On: //  
 Est COE: //  
 Designer: GRETCHEN TOTH COE: //

Qty	Option #	Description	Color	Date Purchased	Unit Price	Total Inst
Total For Options Purchased On Or After // Thru 04/09/2008						\$28,150.00
Total For Options Purchased Prior To //						\$0.00
<b>Option Order Total</b>						<b>\$28,150.00</b>
<b>Deposits Required</b>						<b>\$0.00</b>
<b>Order Payments:</b>						
				<u>Date</u>	<u>Payment Type</u>	<u>Check #</u> <u>Payment Amt</u>
						\$0.00
						\$0.00
<b>Other Payments/Concessions:</b>						
				<u>Date</u>	<u>Payment Type</u>	<u>Check #</u> <u>Payment Amt</u>
						\$26,215.00
						\$1,170.00
						\$765.00
<b>Summary</b>						
Total Options On Order						\$28,150.00
Total Order Payments						\$28,150.00
<b>TOTAL BALANCE DUE</b>						<b>\$0.00</b>

I/We the Buyer(s) do hereby order and authorize the above changes at the price stated; agree to pay said price; understand that said change or changes may not delay delivery of the property; agree that said changes attach to the property and monies paid hereunder or in behalf of this order shall not be refunded; agree that seller does not warrant that the above change(s) shall be performed, but in the event of any above change not performed by the seller, the seller shall refund to Purchaser(s) all monies paid by Purchaser(s) to Seller for any such change not performed, and the parties hereto do mutually agree that each change shall be cancelled with no further obligations or liabilities to one another other than the refund stated herein.

Buyer: *[Signature]* Date: 9-23-08  
 Buyer: *[Signature]* Date: 9-23-08  
 Construction: \_\_\_\_\_ Date: \_\_\_\_\_

Salesperson: *[Signature]* Date: APR 10 2008  
 CORNERSTONE COMMUNITIES Authorization: \_\_\_\_\_ Date: \_\_\_\_\_  
 Purchasing: \_\_\_\_\_ Date: \_\_\_\_\_



7720 Kenamar Court  
 San Diego, CA 92121  
 Phone: 858-695-2001  
 Fax: 858-693-6868

**Final**

SALES ORDER	
SO No.:	42296
Rev.:	2
Date:	2/13/07
Order Type:	Countertops
SALESPERSON	
Gretchen Toth	

CUSTOMER INFORMATION	COMMUNITY INFORMATION
Cust No.: 9202 Cornerstone Communities  4365 Executive Drive, Ste. 600 San Diego, CA 92121	Project Number: 127418 Provence 362 Bryan Point Drive Chula Vista, CA 91914 Homesite: 37      Phase: 2      Plan: 2C Home Type: Spec

RoomName	Description	Material	SpecialInstructions	RoomSize	UOM	Price
Powder	pending			1.00	Each	\$0.00
Bath 5	pending			1.00	Each	\$0.00
Laundry	pending			1.00	Each	\$0.00
Powder 2	pending			1.00	Each	\$0.00
Dress 4	pending			1.00	Each	\$0.00
Up Hall 1	pending			1.00	Each	\$0.00
Master Bedroom	pending			1.00	Each	\$0.00
Dress 1	pending			1.00	Each	\$0.00
Dress 2	pending			1.00	Each	\$0.00
Dress 3	pending			1.00	Each	\$0.00
Library	pending			1.00	Each	\$0.00
Kitchen/Nook/Butler's	KITCHEN SPLASH	H937 4X4 STONE	TOP HALF OF SPLASH SET DIAGONAL	1.00	Each	\$1,440.00
Kitchen/Nook/Butler's	BUTLERS SPLASH	H937 4X4 STONE	TOP HALF OF SPLASH SET DIAGONAL	1.00	Each	\$646.00
Kitchen/Nook/Butler's	KITCHEN SPLASH	H2729 2X12 CHAIR RAIL	SET RAIL BETWEEN 4X4 & 6X6 MATERIAL	1.00	Each	\$1,306.00
Kitchen/Nook/Butler's	BUTLERS SPLASH	H2729 2X12 CHAIR RAIL	SET RAIL BETWEEN 4X4 & 6X6 MATERIAL	1.00	Each	\$637.00
Kitchen/Nook/Butler's	KITCHEN SPLASH	H938 6X6 STONE	SET ONE ROW STRAIGHT AT BOTTOM OF SPLASH	1.00	Each	\$693.00
Kitchen/Nook/Butler's	BUTLERS SPLASH	H938 6X6 STONE	SET ONE ROW STRAIGHT AT BOTTOM OF SPLASH	1.00	Each	\$318.00
Kitchen/Nook/Butler's	BUTLERS COUNTER	VENETIAN GOLD GRANITE SLAB	3CM-OGEE bullnose EDGE DETAIL-NO SPLASH	1.00	Each	\$791.00
Kitchen/Nook/Butler's	KITCHEN COUNTERS	VENETIAN GOLD GRANITE SLAB	3CM-OGEE bullnose EDGE DETAIL-NO SPLASH	1.00	Each	\$5,441.00
Kitchen/Nook/Butler's	KITCHEN SPLASH	H936 MESH MT STONE	CUT 12X12 TO 2X2 DOTS SET PER DIAGRAM	1.00	Each	\$338.00
Kitchen/Nook/Butler's	BUTLERS SPLASH	H936 MESH MT STONE	CUT 12X12 TO 2X2 DOTS SET PER DIAGRAM	1.00	Each	\$156.00
<del>Kitchen/Nook/Butler's</del>	<del>KITCHEN COUNTERS</del>	<del>VENETIAN GOLD GRANITE SLAB</del>	<del>3CM-OGEE EDGE DETAIL-NO SPLASH</del>	<del>1.00</del>	<del>Each</del>	<del>\$6,441.00</del>
<del>Kitchen/Nook/Butler's</del>	<del>BUTLERS COUNTER</del>	<del>VENETIAN GOLD GRANITE SLAB</del>	<del>3CM-OGEE EDGE DETAIL-NO SPLASH</del>	<del>1.00</del>	<del>Each</del>	<del>\$791.00</del>
<del>Kitchen/Nook/Butler's</del>	<del>KITCHEN SPLASH</del>	<del>H936 MESH MT STONE</del>	<del>CUT 12X12 TO 2X2 DOTS SET 1-4 STAGGARD PER DIAGRAM</del>	<del>1.00</del>	<del>Each</del>	<del>\$328.00</del>
<del>Kitchen/Nook/Butler's</del>	<del>BUTLERS SPLASH</del>	<del>H936 MESH MT STONE</del>	<del>CUT 12X12 TO 2X2 DOTS SET 1-4 STAGGARD PER DIAGRAM</del>	<del>1.00</del>	<del>Each</del>	<del>\$156.00</del>

**NOTICE OF SPECIAL TAXES**  
**FISCAL YEAR JULY 1, 2006 TO JUNE 30, 2007**  
**(PAGE 1 OF 2)**

Builder:	Cornerstone Communities
Plan:	
Square Feet:	<del>4905</del> 5147 AJ+ AT
Community:	Provence
Tract No.:	92-02A
Map No.:	14922

**Community Facilities Districts**

Tax Period (Fiscal Year)	City of Chula Vista CFD No. 11-M	Total Special Taxes
2006-2007	\$342	\$342
2007-2008	359	\$359
2008-2009	377	\$377
2009-2010	396	\$396
2010-2011	415	\$415
2011-2012	436	\$436
2012-2013	458	\$458
2013-2014	481	\$481
2014-2015	505	\$505
2015-2016	530	\$530
2016-2017	557	\$557
2017-2018	584	\$584
2018-2019	614	\$614
2019-2020	644	\$644
2020-2021	677	\$677
2021-2022	710	\$710
2022-2023	746	\$746
2023-2024	783	\$783
2024-2025	822	\$822
2025-2026	863	\$863
2026-2027	907	\$907
2027-2028	952	\$952
2028-2029	1,000	\$1,000
2029-2030	1,050	\$1,050
2030-2031	1,102	\$1,102
2031-2032	1,157	\$1,157
2032-2033	1,215	\$1,215
2033-2034	1,276	\$1,276
2034-2035	1,339	\$1,339
2035-2036	1,406	\$1,406
2036-2037	1,477	\$1,477
2037-2038	1,551	\$1,551
2038-2039	1,628	\$1,628
2039-2040	1,710	\$1,710
2040-2041	1,795	\$1,795
2041-2042	1,885	\$1,885
2042-2043	1,979	\$1,979
2043-2044	\$2,078	\$2,078
Estimated Discharge of Obligation:	See Note (a)	

The estimated Special Taxes shown above are collected on the annual property tax bill and are in addition to the base property taxes on the property you are purchasing (the "Property"). These figures are estimates of the maximum annual special taxes applicable to the Property while classified as "Developed Property" based on information provided to the seller by the City of Chula Vista and the CFD Administrators. All properties will be reassessed by the County Assessor upon change of ownership. A supplemental property tax bill will be sent to you at some point after you own the Property. This bill will be your responsibility to pay.

**Note (a):**

City of Chula Vista CFD No. 11-M provides for the perpetual operation and maintenance of slopes, medians, parkways, trails, perimeter walls, perimeter fencing and storm water facilities associated with Tract No. 92-02A - Map No. 14922 within the City of Chula Vista. The maximum annual special tax of this CFD shall be increased each Fiscal Year by a factor equal to the annual percentage change in the San Diego Metropolitan Area All Urban Consumer Price Index (All Items). For the purposes of this illustration, this Special Tax is assumed to increase 5% per year. The actual annual adjustment may be more or less than 5%. This CFD is administered by the City of Chula Vista. It is anticipated that the City of Chula Vista will levy this Special Tax in perpetuity, extending beyond the 2043-2044 Fiscal Year indefinitely. As this is a maintenance district, discharge of the obligation cannot be made.

**NOTICE OF SPECIAL TAXES**  
**FISCAL YEAR JULY 1, 2006 TO JUNE 30, 2007**  
**(PAGE 2 OF 2)**

Builder: Cornerstone Communities  
Plan: ~~11905~~ 5147 AIT AT  
Square Feet:   
Community: Provence  
Tract No.: 92-02A  
Map No.: 14922

Purchaser may choose to either discharge (pay off) the special taxes (Option 1), or pay the annual special taxes along with other property taxes on the annual property tax bill.

**OPTION 1: Discharge of Obligations**

I elect to discharge the following obligations through the close of escrow (initial as appropriate):

City of Chula Vista CFD No. 11-M:           N/A          

Note: If Option 1 is selected for prepayment of one or more of the CFDs, the applicable agency must be contacted for the actual discharge amount regarding each CFD to be prepaid. The discharge amounts on Page 1 of this document are estimates only.

For the early discharge of obligations initialed above, I agree to pay through the close of escrow: \_\_\_\_\_

**OPTION 2: Payment of Special Taxes and Assessments**

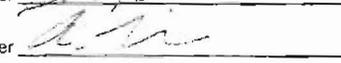
I agree to assume all special taxes and assessments per the attached disclosure.

Tract No. 92-02A  
Map No. 14922

Lot No. 31

Acknowledged:

Buyer 

Buyer 

Buyer \_\_\_\_\_

**NOTICE OF SPECIAL TAX  
OF COMMUNITY FACILITIES DISTRICT NO. 11M  
(ROLLING HILLS RANCH)  
OF THE CITY OF CHULA VISTA  
COUNTY OF SAN DIEGO, CALIFORNIA**

TO: THE PROSPECTIVE PURCHASER OF THE REAL PROPERTY KNOWN AS:

TRACT NO. 92-02A – MAP NO. 14922; LOT NO. 37

THIS IS A NOTIFICATION TO YOU PRIOR TO YOUR ENTERING INTO A CONTRACT TO PURCHASE THIS PROPERTY. THE SELLER IS REQUIRED TO GIVE YOU THIS NOTICE AND TO OBTAIN A COPY SIGNED BY YOU TO INDICATE THAT YOU HAVE RECEIVED AND READ A COPY OF THIS NOTICE.

(1) This property is subject to special taxes, which are in addition to the regular property taxes and any other charges, fees, special taxes, and benefit assessments on the parcel. They are imposed on this property because it is a new development, and may not be imposed generally upon property outside of this new development. If you fail to pay these taxes when due each year, the property may be foreclosed upon and sold. These taxes are used to provide public facilities and services that are likely to particularly benefit the property. YOU SHOULD TAKE THESE TAXES AND THE BENEFITS FROM THE FACILITIES AND SERVICES FOR WHICH THEY PAY INTO ACCOUNT IN DECIDING WHETHER TO BUY THIS PROPERTY.

(2) The property you are purchasing (the "Property") is within Community Facilities District No. 11M of the City of Chula Vista (the "CFD") and is subject to annual special taxes levied pursuant to the Rate and Method of Apportionment for the CFD (the "RMA"), a copy of which is attached hereto. Pursuant to the RMA, the maximum annual Special Tax which may be levied against the Property to pay for Services during Fiscal Year 2006-2007 will depend on whether the Property is classified as "Developed Property" or "Final Map Property" for Fiscal Year 2006-2007. Pursuant to the RMA, Developed Property is defined as "all Taxable Property for which a building permit was issued after January 1, 2004, but prior to the March 1st preceding the Fiscal Year in which the Special Tax is being levied". Final Map Property is defined as "a single family residential lot created by a Final Subdivision Map, but which is not classified as Developed Property".

**Final Map Property**

If the Property is classified as Final Map Property in Fiscal Year 2006-2007, the maximum annual special tax authorized to be levied against the Property by the CFD during Fiscal Year 2006-2007 to pay for public services shall be \$696.44 per "Acre", as defined in the RMA.

**Developed Property**

If the Property is classified as Developed Property in Fiscal Year 2006-2007 the maximum annual special tax authorized to be levied against the Property by the CFD to pay for public services during Fiscal Year 2006-2007 shall be \$341.69 per "Dwelling Unit", as defined in the RMA.

The maximum annual special tax for public services shall be increased each Fiscal Year, beginning in Fiscal Year 2007-2008 and each subsequent Fiscal Year thereafter, by a factor equal to the annual percentage change increase, if any, in the San Diego Metropolitan Area All Urban Consumer Price Index (All Items). The RMA provides that the annual special tax may be levied each Fiscal Year in perpetuity.

(3) The authorized services which are being paid for by the annual special taxes are the public services directly related to the maintenance of habitat conservation areas, detention basins, storm drains, catch basin inserts, hydrodynamic devices, infiltration basins, and the removal of contaminants and solids from storm water throughout the District and other similar services.

YOU MAY OBTAIN A COPY OF THE RESOLUTION OF FORMATION WHICH AUTHORIZED CREATION OF THE CFD, AND WHICH SPECIFIES MORE PRECISELY HOW THE SPECIAL TAXES ARE APPORTIONED AND HOW THE PROCEEDS OF THE TAXES WILL BE USED, FROM THE CITY OF CHULA VISTA BY CALLING (619) 691-5258. THERE MAY BE A CHARGE FOR THIS DOCUMENT NOT TO EXCEED THE REASONABLE COST OF PROVIDING THE DOCUMENT.

A-I-T AT  
August 11, 2006

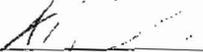
I (WE) ACKNOWLEDGE THAT I (WE) HAVE READ THIS NOTICE AND RECEIVED A COPY OF THIS NOTICE PRIOR TO ENTERING INTO A CONTRACT TO PURCHASE OR DEPOSIT RECEIPT WITH RESPECT TO THE ABOVE REFERENCED PROPERTY. I (WE) UNDERSTAND THAT I (WE) MAY TERMINATE THE CONTRACT TO PURCHASE OR DEPOSIT RECEIPT WITHIN THREE DAYS AFTER RECEIVING THIS NOTICE IN PERSON OR WITHIN FIVE DAYS AFTER IT WAS DEPOSITED IN THE MAIL BY GIVING WRITTEN NOTICE OF TERMINATION TO THE OWNER, SUBDIVIDER, OR AGENT SELLING THE PROPERTY.

Dated: 9-23-08

By: 

Name: AMIR TAFRESHI

Dated: 9-23-08

By: 

Name: ALI IRANI-TEHRANI

# CORNERSTONE COMMUNITIES

## *Provence - Phase 2*

### Option Guidelines

Thank you for selecting Cornerstone Communities when purchasing your new home. It is Cornerstone's commitment to provide a quality home built with pride that will provide our buyers with the best value for their investment. We will make every effort to make your home buying experience a pleasant one.

We will be working together over the next few months to give you a quality home that has been a tradition of Cornerstone Communities since the company began. The following information is provided to assist you in understanding the construction process and provide you with construction cut-off dates for ordering the options Cornerstone Communities offers for your home.

For your reference, following are the Cornerstone team members involved in your homebuying and construction process:

Sales Team	Betty Patterson
Sales Team	<u>Martha Feliz</u>
Superintendent	Juan Lopez
Option Center Coordinator	Creative Touch Interiors—Michelle Honz (858) 695-2001
Customer Care Representative	Gaby Bon

Your Sales Associate will be your main point of contact. He or she should be able to answer any questions you may have regarding the purchase and completion of your home. If any questions or concerns arise that cannot be answered by your Sales Associate, they will then direct your question to the appropriate person.

Our goal is to deliver your home in a timely manner. In order for us to maintain our construction schedules, it is important that any options you would like to add to your home are selected by the corresponding cut-off dates. You will be provided with a list of available options and cut-off dates at time of purchase.

### 1. WHAT ARE OPTIONS?

Options provide you the opportunity to select features and items that will enhance and personalize your new home. There are two types of options.

#### Standard Options

These options are frequently-selected items that have already been priced. Your Sales Associate or Design Center Coordinator will provide you with a *Standard Options* list. Standard options include items such as cabinet color selections, additional electrical outlets, additional telephone and cable outlets, appliance colors, surface finish colors, ceiling fan outlets, mirrored wardrobe doors, shower enclosures, and more.

### Custom Options

These options are specific to your home. Custom options include such items as altered room configurations, special finish carpentry or plumbing items and custom colors of any kind. Custom options are anything not included on the *Standard Options* list or standard option items ordered after the cut-off date.

Your Sales Associate or Design Center Coordinator will assist you with your custom option requests, which must be submitted to the Operations Department for approval. They will determine whether the custom option complies with applicable building code requirements and will not substantially delay the construction schedule. A **\$250.00** processing fee will be collected with each *Custom Option Request* form. This fee will be applied to the price of the option should you decide to select the option. Due to the time and cost involved in processing custom option requests, **no refunds will be given for items not selected.** Should the builder deny any custom option request, the \$250.00 deposit will be returned to the buyer upon denial of the request.

## 2. HOW MUCH WILL THE OPTIONS COST?

### Standard Options

Prices are shown on the *Standard Options* list for your community. Some options may be discontinued or pricing may fluctuate. The most current price list will apply. Full payment is required at time of order. Should you elect to have your options added to your loan, you will receive a credit back at close of escrow.

### Custom Options

Custom options must be priced individually and require several stages to complete. Pricing will vary depending on the stage of construction when the option is ordered. As with standard options, full payment is required at time of order.

**Please note:** Installing options at the time of construction is generally less expensive than at a later date. Cornerstone Communities makes every effort to provide our homebuyers with the highest dollar-for-dollar value possible. When doing comparative shopping, please make sure to consider all the hidden costs associated with purchasing items outside of the builder, such as preparation work needed before an item is installed, installation, finish work after an item has been installed, the possibility of voiding warranties on your new home, etc. The benefit of Cornerstone Communities' options is that they carry the same warranty as the rest of your home. Due to insurance and warranty requirements, as well as scheduling, Cornerstone Communities cannot allow contractors other than Cornerstone authorized contractors to perform any work on your home prior to close of escrow.

**CALIFORNIA CIVIL CODE**  
**Sections 895 Through 945.5**

BUYER AND SELLER HEREBY ACKNOWLEDGE THAT THIS WRITTEN COPY OF THE ABOVE TITLE OF THE CIVIL CODE WAS PROVIDED TO BUYER PURSUANT TO CALIFORNIA CIVIL CODE SECTION 912(G).

BUYER'S INITIALS A.I.T  
BUYER'S INITIALS AT

SELLER'S INITIALS \_\_\_\_\_  
SELLER'S INITIALS \_\_\_\_\_

*MGA*

Project: Provence

Lot: 37

### SUPPLEMENTAL DISCLOSURE

This Supplemental Disclosure is to inform the undersigned buyer(s) ("**Buyer**") of the following update concerning your purchase of the Lot referenced above in the Provence at Rolling Hills Ranch project ("**Project**").

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

Seller is providing Buyer with this Supplemental Disclosure to inform Buyer that, in compliance with applicable California law, Seller hereby gives the following notice to you:

**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](http://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. It is your responsibility to check for offenders in the area in or around the Project.

By signing below, you are acknowledging that you have read, reviewed and approved of the contents of this Supplemental Disclosure. Buyer acknowledges that Buyer's decision to purchase a home in the Project is not based on any representations (other than described in this disclosure) regarding the matters described herein, and Buyer has considered the possible effects of such matters in Buyer's decision to purchase a home in the Project.

Buyer: 

Date: 9-23-08

Buyer: 

Date: 9-23-08



**CORNERSTONE  
COMMUNITIES**

**RECEIPT OF DOCUMENTS AND INFORMATION**

Project: Provence at Rolling Hills Ranch

Phase: 2

Lot: 37

**RECEIPT FOR PUBLIC REPORT**

The Law and Regulations of the Real Estate Commissioner require that you, as a prospective purchaser or lessee, be afforded an opportunity to read the public report for this subdivision before you make any written offer to purchase or lease a subdivision interest or before any money or other consideration toward purchase or lease of a subdivision interest is accepted from you. In the case of a preliminary subdivision public report, you must be afforded an opportunity to read the report before a written reservation of any deposit in connection therewith is accepted from you. DO NOT SIGN THIS RECEIPT UNTIL YOU HAVE RECEIVED A COPY OF THE PUBLIC REPORT AND HAVE READ IT:

I HAVE RECEIVED AND READ THE PUBLIC REPORT:

1209461A-A01  
(File No.)

Provence at Rolling Hills Ranch  
(Tract No. or Name)

I UNDERSTAND THE REPORT IS NOT A RECOMMENDATION OR ENDORSEMENT OF THE SUBDIVISION, BUT IS FOR INFORMATION PURPOSES ONLY.

PUBLIC REPORT RECEIVED AND READ IS DATED:

07-25-05  
(Date Issued)

07-12-06  
(Date Amended)

Buyer's Signature:

Buyer's Signature:

Print Name:

AMIR JAFRESHI

Print Name:

ALI IRANI - TEHRANI

Date:

9-23-08

Date:

9-23-08

*Subdivider is required to retain this receipt for three years.*

**RECEIPT OF DOCUMENTS.**

In addition to the public report, Buyer hereby acknowledges receipt of the following documents (indicate documents delivered to Buyer):

<input checked="" type="checkbox"/>	Buyer Guidelines for Purchase & Occupancy	<input checked="" type="checkbox"/>	Declaration of Restrictions & Amendments	<input checked="" type="checkbox"/>	Notice of Special Taxes & Assmt. (chart)
<input checked="" type="checkbox"/>	Escrow General Provisions	<input checked="" type="checkbox"/>	Notice of Declaration of Annexation	<input checked="" type="checkbox"/>	Notice of Special Tax CFD No. 11M
<input checked="" type="checkbox"/>	Mold Disclosure Addendum	<input checked="" type="checkbox"/>	Supplemental Restrictions	<input checked="" type="checkbox"/>	The Responsible Home Warranty
<input checked="" type="checkbox"/>	Owner Occupancy Addendum	<input checked="" type="checkbox"/>	Articles of Incorporation	<input checked="" type="checkbox"/>	2-10 Plus Extended Warranty Plan
<input checked="" type="checkbox"/>	Agency Disclosure and Confirmation	<input checked="" type="checkbox"/>	Bylaws	<input checked="" type="checkbox"/>	2-10 HBW Sample Warranty Book
<input checked="" type="checkbox"/>	Disclosure Statement	<input checked="" type="checkbox"/>	Notice of Non-Adversarial Procedure	<input checked="" type="checkbox"/>	Warranty Teamwork DVD
<input checked="" type="checkbox"/>	Affiliated Business Arrangement Disclosure	<input checked="" type="checkbox"/>	Property Disclosure Report	<input checked="" type="checkbox"/>	Supplemental Airport Disclosure
<input checked="" type="checkbox"/>	Lender of Record	<input checked="" type="checkbox"/>	Level Assessments Chart		Contingency Privilege Addendum
<input checked="" type="checkbox"/>	Functionality Standards Addendum	<input checked="" type="checkbox"/>	HOA Budgets (current & built-out)	<input checked="" type="checkbox"/>	Supplemental Disclosure
<input checked="" type="checkbox"/>	SB 800 Booklet (Civil Code §895 et seq.)	<input checked="" type="checkbox"/>	Homeowner Maintenance Manual		
<input checked="" type="checkbox"/>	SB 800 Talking Points	<input checked="" type="checkbox"/>	Architectural/Landscape Guidelines		
<input checked="" type="checkbox"/>	Option Package	<input checked="" type="checkbox"/>	Right of Entry		
<input checked="" type="checkbox"/>	Standard Option Cut-Off Dates & Guidelines	<input checked="" type="checkbox"/>	Encumbrance Map		

ALL OF THE ABOVE-MENTIONED DOCUMENTS ARE IMPORTANT TO THE PURCHASE OF BUYER'S NEW HOME. BY SIGNING BELOW, BUYER ACKNOWLEDGES THAT BUYER HAS RECEIVED ALL OF THE ABOVE DOCUMENTS AND HAD THE OPPORTUNITY TO READ THEM PRIOR TO EXECUTING THE REAL ESTATE PURCHASE AGREEMENT, ESCROW INSTRUCTIONS AND RECEIPT FOR DEPOSIT. AT THE CLOSING, THE ABOVE DOCUMENTS SHALL BE DEEMED TO HAVE BEEN READ AND APPROVED BY BUYER.

BUYER AGREES TO RETAIN ALL DOCUMENTS RECEIVED IN CONNECTION WITH THE PURCHASE OF THE PROPERTY AND PROVIDE SUCH DOCUMENTS TO ANY SUBSEQUENT PURCHASER OF THE PROPERTY. Buyer acknowledges that it has received all of the documents listed above and may receive other documents provided in conjunction with the purchase of the Property (collectively, the "Documents"). Buyer shall maintain a full and complete copy of the Documents and agrees to provide any subsequent buyer with a complete copy of the Documents including, but not limited to, any contractual warranties provided by Seller to Buyer and a copy of all manufactured products' maintenance and limited warranty information. Buyer should instruct any subsequent buyer to provide to their subsequent buyers a complete copy of the

PROJECT: PROVENCE

LOT: 37

PHASE: 2

**DISCLOSURE STATEMENT**

This Disclosure Statement is provided to Buyer in connection with the Real Estate Purchase Agreement entered into between Buyer and Seller for the purchase by Buyer and sale by Seller of the above referenced property.

Buyers are advised of the following information:

The homeowner is responsible for the maintenance of any slopes or area outside of their property walls located within their lot.

Please acknowledge that you have received and reviewed this disclosure by signing in the space provided below. Please contact the sales representative, if you have any questions.

[Signature]      9-23-08  
Buyer's Signature      Date

[Signature]      9-23-08  
Buyer's Signature      Date

Project: Provence at Rolling Hills Ranch II  
Lot: 31

**SUPPLEMENTAL AIRPORT DISCLOSURE**

This Supplemental Airport Disclosure is to inform you that the Lot you are considering purchasing in the Provence at Rolling Hills Ranch II project ("Project") may be affected by airport noise and overflight airport traffic. Brown Field is located approximately four to five miles from portions of the Project and the Lindbergh Field International Airport is located approximately twenty-one (21) miles from the Project. Brown Field currently services mainly general aviation and Lindbergh Field is a major international airport, with numerous flights and large aircraft. The Lot you are considering purchasing may be subject to some of the annoyances or inconveniences associated with proximity to airport operations (for example: noise and vibration). You may see, hear and have interference of certain activities by aircraft and/or helicopters operating to and/or from Brown Field or Lindbergh Field. 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 Project before you complete your purchase and determine whether they are acceptable to you.

By signing below, you are acknowledging that you have read, reviewed and approved of the contents of this Supplemental Airport Disclosure. Buyer acknowledges that buyer's decision to purchase a home in the Project is not based on any representations (other than described in this disclosure) regarding the matters described herein, and Buyer has considered the possible effects of such matters in Buyer's decision to purchase a home in the Project.

Buyer: [Signature]

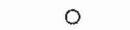
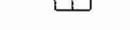
Date: 9-23-08

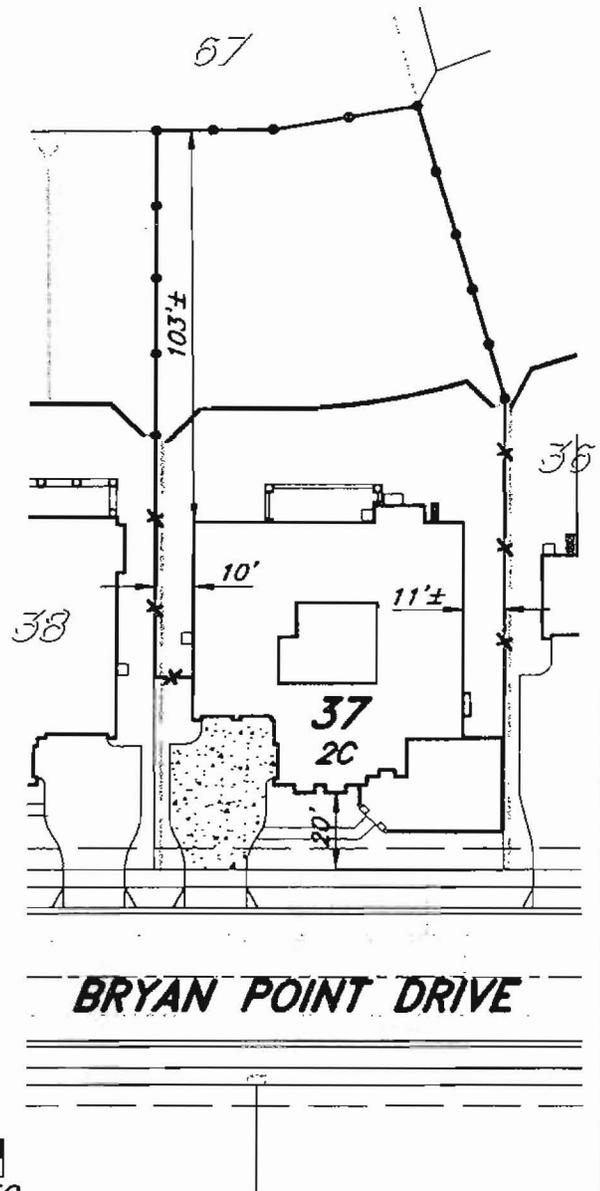
Buyer: [Signature]

Date: 9-23-08

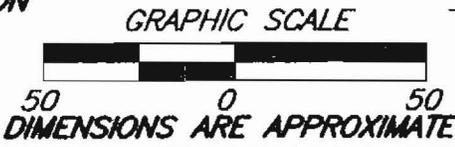
# ROLLING HILLS RANCH PROVENCE

## LEGEND

-  LOT LINE
-  CURB AND GUTTER
-  EASEMENT
-  SLOPE
-  RETAINING WALL
-  WOOD FENCE
-  TUBULAR STEEL FENCE
-  SLUMP BLOCK WALL
-  PILASTER
-  BLOW OFF
-  P.V.C. WATER MAIN
-  P.V.C. SEWER
-  AIR RELEASE ASSEMBLY
-  SEWER LATERAL
-  WATER LATERAL
-  FIRE HYDRANT
-  STORM DRAIN INLETS
-  S.D.G.&E. TRANSFORMER
-  CABLE TELEVISION PEDESTAL
-  TELEPHONE PEDESTAL
-  HANDHOLE
-  SIGHT VISIBILITY TRIANGLE
-  H.O.A. MAINTAINED AREA
-  CONCRETE PAVEMENT
-  FUEL MODIFICATION LIMITS
-  CONG. DWY. APRON
-  STREET LIGHT
-  A.C. UNIT



**BRYAN POINT DRIVE**



## ACCEPTANCE CERTIFICATE:

CORNERSTONE COMMUNITIES RESERVES THE RIGHT TO MAKE MODIFICATIONS AND CHANGES TO ITEMS INCLUDING, BUT NOT LIMITED TO; LOT GRADING AND DRAINAGE, LOT LINES, FENCE LOCATIONS, PAD ELEVATIONS, TOPS AND TOES OF SLOPES, RETAINING WALLS, UTILITY LOCATIONS, DRIVEWAYS AND SIDEWALKS, AND SETBACKS. BUYER IS EXPRESSLY ADVISED NOT TO ALTER THE DRAINAGE ON THE LOT. ALL UTILITIES, SIGNS, FENCES, AND DIMENSIONS ARE SHOWN AS APPROVED LOCATIONS AND DIMENSIONS MAY VARY DEPENDING UPON CONSTRUCTION CONDITIONS.

**LOT 37**

BUYER: Amir Tafreshi  
Abi Irani-Tafreshi

SIGNATURE:  DATE: 9-23-08

**SB&O** INC.  
PLANNING ENGINEERING SURVEYING

**CORNERSTONE COMMUNITIES**

**RECEIPT FORM**

Project: Provence

Date: 9-23-08

Lot: 37

Buyer acknowledges receipt of the Homeowner Maintenance Manual received on date listed below. Should the escrow between Buyer and Seller be cancelled for any reason, Buyer agrees to return all documents including the Homeowner Maintenance Manual to the Sales Office.

Buyer: [Signature]

Buyer: [Signature]

Date: 9-23-08



**CORNERSTONE  
COMMUNITIES**

**IMPORTANT INSURANCE INFORMATION**

Thank you for choosing Cornerstone Communities for the purchase of your new home. We value you as a customer and are committed to giving you the finest service throughout your home buying process. One part of that process required by lenders and ordinarily the responsibility of the homebuyer is the purchase of homeowner's insurance. Cornerstone Communities works with First American, the leading provider of real estate-related services, to give you the finest coverage in homeowner's insurance.

First American Property & Casualty Insurance Company provides a quality, competitively priced homeowner's insurance product designed specifically for homebuyers of Cornerstone. The product offers a 10% multi-product discount to Cornerstone Communities homebuyers who receive a First American Title policy. It is conveniently purchased through the closing process to avoid the need for you to make phone calls or visit an office. There is no application or credit check and as a result there is no delay in issuing the policy, which helps you move into your new home quickly.

With your permission, First American Property & Casualty Insurance Company will be sending you a customized homeowner's insurance quote in the next couple of days. If you choose to bind coverage, simply sign and return the form in the envelope provided or confirm coverage on the phone and your escrow company will be notified to expect coverage at the closing.

Cornerstone Communities wants to make sure you receive the best product and service. Our relationship with First American accomplishes this goal. If you have any questions please call First American Property & Casualty Insurance Company at (888) 546-5118 x 7528

Cornerstone Communities and First American Title Insurance Company are hereby authorized to release all information necessary to FAPCIC, to enable FAPCIC to obtain a quote for Homeowner's insurance.

X \_\_\_\_\_  
Signature

X \_\_\_\_\_  
Signature

9-23-08  
Date

8617 Lake Murray Bl. #1  
Present mailing address

San Diego, Ca 92119  
City

69710-2637  
Work Phone

69895-7246  
Home Phone

PLEASE PRINT			
To be completed by Sales Agent:			
Buyers Name(s) <u>AMIR TAFRESHI +</u>			
<u>ALI IRANI - TEHRANI</u>			
Project <u>CONELICE</u>			
Lot #	Sq. Ft.	Plan	
<u>37</u>	<u>4905</u>	<u>32</u>	
Est. Close Date <u>10-31-08</u>			
Purchase Price <u>849,990</u>			
Prop. Address <u>502 BRISA BLVD</u>			
<u>CHULA VISTA</u> Zip			
Sales Agent <u>MARVIN MARIN</u>			
Phone <u>619-656-7284</u>			

Project: Provence at Rolling Hills Ranch

Phase: 2 Lot: 37

**RIGHT OF ENTRY,  
VOLUNTARY ASSUMPTION OF KNOWN RISKS,  
WAIVER OF CLAIMS AND INDEMNITY**

**NOTICE: This Document makes the undersigned Visitors entirely responsible for the known risks of injury and damage that are associated with a construction site. Visitors are advised to read this Document carefully before deciding whether or not to sign it and voluntarily assume such risks.**

This Right of Entry, Voluntary Assumption of Known Risks, Waiver of Claims and Indemnity document ("Document") is in favor of Cornerstone Communities Corporation and the owner of the Project and their related entities, affiliates, successors, assigns, officers, directors, employees and agents (collectively, "Builder"). Upon signing below, individuals ("Visitors") who enter the above referenced construction site ("Project") acknowledge and agree as follows:

1. Visitors have requested a right of entry to the Project for inspection purposes only. No alterations whatsoever are permitted by Visitors or their contractors or agents on any Lot/Unit or other area within the Project. This right of entry is granted only to Visitors who sign below, and is granted until close of escrow on the Lot/Unit described above. Minors are not permitted onto the Project. Visitors shall not remove materials, tools, or equipment from the Project. Hard hats and hard sole shoes must be worn at all time. ALL VISITORS MUST SIGN IN AT THE SALES OFFICE (WHERE HARD HATS ARE AVAILABLE) FOR EACH VISIT.
2. Visitors are hereby advised that the Project contains materials, equipment and physical conditions that are inherently dangerous and may cause bodily harm, illness, death, or property damage (e.g. shoes, clothing, or vehicles). Visitors are aware of and fully understand that these risks do, in fact, exist and whether or not Visitors understand the exact nature of each and every risk, Visitors freely and voluntarily choose and agree to voluntarily accept and assume these risks on behalf of themselves and any other individuals that accompany Visitors on the Project.
3. With respect to any and all rights, claims, liabilities, actions and damages of whatever kind or character which may be asserted against Builder with respect to any injury, death, loss, or damage incurred by Visitors or their property while on the Project (collectively, "Claims"), including (without limitation) any Claims with respect to any actual or alleged negligent act or omission to act of Builder or any contractor or subcontractor of Builder (collectively, "Contractors"), Visitors on behalf of themselves and any other individuals who accompany Visitors on the Project (i) covenant to indemnify and defend Builder and Contractors against any Claims and (ii) agree to forever waive, release, and relinquish all Claims against Builder and Contractors.
4. This Document shall be binding upon each of the undersigned Visitors, jointly and severally, with respect to each and every entry on the Project occurring before, on or after the date hereof.

  
\_\_\_\_\_  
Visitor Signature

AMIR TAFRESHI      9-23-08  
Visitor Name (please print)      Date

  
\_\_\_\_\_  
Visitor Signature

ALI IRANI-TEHRANI      9-23-08  
Visitor Name (please print)      Date

### UNIVERSAL DESIGN CHECKLIST ADDENDUM

This Universal Design Checklist Addendum (“**Addendum**”) is attached to and forms a part of the Real Estate Purchase Agreement, Joint Escrow Instructions, and Receipt for Deposit (“**Purchase Agreement**”), executed between Buyer and Seller for the Property described in the Purchase Agreement. Any capitalized terms not otherwise defined herein shall have the meanings set forth in the Purchase Agreement. If there is a conflict between the Purchase Agreement and the terms and provisions of this Addendum, the terms and provisions of this Addendum shall control.

The attached Universal Design Checklist (“**Checklist**”) is provided to you pursuant to California law. It identifies a number of “universal design features” that could be installed to make a home accessible to persons with disabilities or physical limitations. Seller is not required or may not be able to make all of these features available to Buyers. You should inform your sales agent if you desire a feature identified on the Checklist and Seller will consider such requests on a case-by-case basis.

Please note that you will be responsible for the costs (including labor and materials) associated with installing any of these features in your residence. A cost estimate for any requested feature that Seller elects to make available will be provided by Seller upon Buyer’s request.

If you choose to order any of the available universal design features for your Residence, please refer to the procedures for placing orders, making deposits and other payments in the Buyer Guidelines and Standard Option Cut-Off Dates form.

## NEW HOME UNIVERSAL DESIGN CHECKLIST (AB 1400)

California law, section 17959.6 of the Health and Safety Code, requires a builder of new for-sale residential units, including Seller, to provide potential buyers with a list of specific "universal design features" which make a home safer and easier to use for persons who are aging or frail, or who have certain temporary or permanent activity limitations or disabilities.

**Part I** of this Checklist includes those features related to exterior adaptations, doors and openings, interior adaptations, kitchens, and bathrooms or powder rooms.

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

**Part III** 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.

All features covered by "Chapter 11A" of the California Building Code (Title 24, CA Code of Regulations, Part 2) are identified by an asterisk (\*). These features are not required for detached single family homes and are only required for certain types of multifamily units. The Chapter 11A features must be listed and installed in a manner consistent with Chapter 11A unless Seller and Buyer agree in writing to different standards and those differences are clearly disclosed in **Part III**. All features not in Chapter 11A must be listed and installed in a workmanlike manner by Seller unless they are further described in **Part III**.

Not every feature listed must actually be available or offered by Seller. In addition, certain items must be requested prior to certain phases of construction, as specified by Seller. Upon request, Seller will provide estimated costs for the special features that Seller elects to provide. Seller is not required to install the listed features unless Seller offers them and both of the following occur: (1) Buyer requests them with the specified phase of construction, and (2) Buyer agrees to provide payment for the features in accordance with Seller's standard options procedure. Any violation of this law is enforced by the local building department and local public prosecutors, and is punishable by civil penalties.

The attached chart lists the specific features which must be disclosed, as well as others commonly requested but not required by law. There are three categories for each feature:

- "Status": whether it is standard ("S"), limited ("L"), an option ("O"), or not available ("NA"), all as determined by Seller. (**Note:** a feature marked "N/A" is generally unavailable to Buyers, but, upon request, Seller will consider providing the feature on a case-by-case basis.
- "Timing": by what stage in construction it must be requested (such as "any time", "before foundation", "before framing", or "before internal wall covering"), with actual times selected by Seller.
- "Details": whether or not there are additional details or specified modifications from the Building Code listed in the "Additional Details" section, Part III (i.e., "Yes" or "No").

**PART I: General Exterior and Interior Components and Features**

<u>Feature</u>	<u>Status</u>	<u>Timing</u>	<u>Details</u>	<u>Add'l Info**</u>
Accessible route of travel to dwelling from public sidewalk or thoroughfare to primary entrance				
Graded path*	N/A	_____	_____	_____
Ramp*	N/A	_____	_____	_____
Driveway to graded path	N/A	_____	_____	_____
No-step entry (1/2" or less threshold)*	N/A	_____	_____	_____
Accessible landscaping of at least one side yard and rear yard	N/A	_____	_____	_____
Accessible route from garage/parking to home's primary entry*	N/A	_____	_____	_____
Accessible route from garage/parking to secondary entry	N/A	_____	_____	_____
Other options offered by builder [List in Part III]			_____	_____
<b>Exterior Doors, Openings, and Entries:</b>				
Minimum 32" clear primary entry doorway*	S	_____	_____	_____
Minimum 32" clear secondary entry doorway*	N/A	_____	_____	_____
Primary entry accessible internal/external maneuvering clearances,	N/A	_____	_____	_____
hardware, thresholds, and strike edge clearances*				
Secondary entry accessible internal/external maneuvering clearances, hardware, thresholds, and strike edge clearances*	N/A	_____	_____	_____
Primary entry accessible/dual peephole and doorbell	N/A	_____	_____	_____
Primary entry door sidelight/window	N/A	_____	_____	_____
Accessible sliding glass door and threshold height*	N/A	_____	_____	_____
Weather-sheltered entry area	N/A	_____	_____	_____
Other options offered by builder [List in Part III]			_____	_____
<b>General Interior Modifications</b>				
Accessible route of travel to at least one bathroom/powder room, kitchen, and common room*	N/A	_____	_____	_____
Accessible route of travel: other areas*	N/A	_____	_____	_____
42" wide hallways/maneuvering clearances with 32" clear doorways on accessible route*	N/A	_____	_____	_____
39" wide hallways/maneuvering clearances with 34" clear doorways on accessible route*	N/A	_____	_____	_____
Accessible hallway and doorway widths: other areas*	N/A	_____	_____	_____
Accessible hardware, strike edge clearance, and thresholds for accessible doorways*	N/A	_____	_____	_____
Light switches, electric receptacles, and environmental and alarm controls at accessible heights on accessible route/rooms*	N/A	_____	_____	_____
Light switches, electric receptacles, and environmental and alarm controls at accessible heights on primary floor*	N/A	_____	_____	_____
Light switches, electric receptacles, and environmental and alarm controls at accessible locations when over barriers*	N/A	_____	_____	_____
Rocker light switches/controls on accessible route/rooms	S	_____	_____	_____
Rocker light switches/controls on primary floor	S	_____	_____	_____
Visual smoke/fire/carbon monoxide alarm	N/A	_____	_____	_____
Audio and visual doorbell	N/A	_____	_____	_____
Audio and visual security alarm	N/A	_____	_____	_____
Closets on accessible route: adjustable (36"-60") rods/shelves	N/A	_____	_____	_____
Feature Status Timing Details Cost				
Nonslip carpet/floor for accessible route	O	Flooring Cut-Off	_____	_____
Handrail reinforcement (1 side) provided in all accessible				

<u>Feature</u>	<u>Status</u>	<u>Timing</u>	<u>Details</u>	<u>Add'l Info**</u>
Handrails (1 side) provided in all accessible routes of travel/rooms over 4 feet in length	N/A	_____	_____	_____
Handrail reinforcement (2 sides) provided in all accessible routes of travel/rooms over 4 feet in length	N/A	_____	_____	_____
Handrails (2 sides) provided in all accessible routes of travel/rooms over 4 feet in length	N/A	_____	_____	_____
Handrail reinforcement or handrails installed in other areas	N/A	_____	_____	_____
Interior lifts/elevators:	N/A	_____	_____	_____
Interior stairway lift	N/A	_____	_____	_____
Interior elevator	N/A	_____	_____	_____
Electrical and reinforcement for future lift	N/A	_____	_____	_____
Electrical and location for future elevator	N/A	_____	_____	_____
Laundry Area, if provided:	S	_____	_____	_____
Accessible route of travel	N/A	_____	_____	_____
Accessible workspace	N/A	_____	_____	_____
Accessible cabinets	N/A	_____	_____	_____
Accessible appliances	N/A	_____	_____	_____
Other options offered by builder [List in Part III]		_____	_____	_____
<b>Kitchen</b>				
At least one kitchen on accessible route of travel	N/A	_____	_____	_____
Adequate work/floor space in front of:		_____	_____	_____
Stove (specify 30"x48" or greater)*	N/A	_____	_____	_____
Refrigerator (specify 30"x48" or greater)*	N/A	_____	_____	_____
Dishwasher (specify 30"x48" or greater)*	N/A	_____	_____	_____
Sink (specify 30"x48" or greater)*	N/A	_____	_____	_____
Oven (if separate) (specify 30"x48" or greater)*	N/A	_____	_____	_____
U-shaped kitchen space requirements*	N/A	_____	_____	_____
Other (specify 30"x48" or greater)*		_____	_____	_____
Accessible appliances (doors, controls, etc.)	N/A	_____	_____	_____
Stove	N/A	_____	_____	_____
Refrigerator	N/A	_____	_____	_____
Dishwasher	N/A	_____	_____	_____
Sink	N/A	_____	_____	_____
Oven (if not part of stove)	N/A	_____	_____	_____
Microwave/receptacle at countertop height	N/A	_____	_____	_____
Other appliances		_____	_____	_____
Accessible countertops	N/A	_____	_____	_____
All or a specified portion repositionable*	N/A	_____	_____	_____
One or more breadboards at 15" wide* and 28"-32" high	N/A	_____	_____	_____
One or more counter areas at 30" wide* and 28"-32" high	N/A	_____	_____	_____
One or more workspaces at 30" wide with knee/toe space	N/A	_____	_____	_____
Other features		_____	_____	_____
Cabinets:		_____	_____	_____
Base cabinets: pull-out and/or Lazy Susan shelves	O	Cabinet Cut-Off	_____	_____
Wall cabinets: pull-out and/or Lazy Susan shelves	N/A	_____	_____	_____
Additional interior lighting	N/A	_____	_____	_____
Additional under-cabinet lighting	N/A	_____	_____	_____
Accessible handles//touch latches for doors/drawers	N/A	_____	_____	_____
Under-cabinet roll-out carts	N/A	_____	_____	_____
Other features		_____	_____	_____
Sink:	N/A	_____	_____	_____
Repositionable height*	N/A	_____	_____	_____
Removable base cabinets under sink*	N/A	_____	_____	_____
Single-handle lever faucet*	S	_____	_____	_____
Hose/sprayer feature	S	_____	_____	_____

<u>Feature</u>	<u>Status</u>	<u>Timing</u>	<u>Details</u>	<u>Add'l Info**</u>
Edge border of cabinets/counters	N/A	_____	_____	_____
Flooring: in front of appliances	O	Flooring Cut-Off	_____	_____
Flooring: on route of travel	O	Flooring Cut-Off	_____	_____
Other features			_____	_____
Other options offered by builder [List in Part III]			_____	_____
<b>Bathroom/Powder Room</b>				
At least one full bathroom on accessible route of travel	N/A	_____	_____	_____
Maneuvering Space (For bathrooms and powder room)	N/A	_____	_____	_____
Maneuvering space diameter	N/A	_____	_____	_____
30" x 48" turning area*	N/A	_____	_____	_____
60" diameter turning area	N/A	_____	_____	_____
Clear space for toilet and sink	N/A	_____	_____	_____
36" x 36" clear use area	N/A	_____	_____	_____
30" x 48" clear use area*	N/A	_____	_____	_____
Bathtub and/or shower (For bathrooms only)	_____	_____	_____	_____
Standard bathtub with grab bar reinforcement*	N/A	_____	_____	_____
Standard bathtub with grab bars*	N/A	_____	_____	_____
Accessible bathtub (size* and handles)	N/A	_____	_____	_____
Standard shower with grab bar reinforcement*	N/A	_____	_____	_____
Standard shower with grab bars*	N/A	_____	_____	_____
Accessible (roll-in) shower*	N/A	_____	_____	_____
Single-handle lever faucets*	S	_____	At shower	_____
Offset controls for exterior use	N/A	_____	_____	_____
Toilet (For bathrooms or powder room)	_____	_____	_____	_____
Standard toilet with grab bar reinforcement*	N/A	_____	_____	_____
Standard toilet with grab bars*	N/A	_____	_____	_____
Accessible toilet with grab bars*	N/A	_____	_____	_____
Sink/Lavatory (For bathrooms or powder room)	_____	_____	_____	_____
Standard with undersink cabinets	S	_____	_____	_____
Standard with removable base cabinets*	N/A	_____	_____	_____
Pedestal or open front*	S	_____	_____	Plan 1casita only
Accessories (For bathroom or powder room)	_____	_____	_____	_____
Lower/accessible medicine chest	N/A	_____	_____	_____
Accessible counter space near sink	N/A	_____	_____	_____
Single-handle lever faucets*	N/A	_____	_____	_____
Anti-scald devices for sink	N/A	_____	_____	_____
Accessible handles//touch latches for doors/drawers	N/A	_____	_____	_____
Lower towel rack(s)	N/A	_____	_____	_____
Lower/tilted mirror(s)	N/A	_____	_____	_____
Contrasting floor color	O	Flooring Cut-Off	_____	_____
Fold-down/fixed shower seat(s)	N/A	_____	_____	_____
Feature Status Timing Details Cost			_____	_____
Accessible toilet tissue holder	N/A	_____	_____	_____
Hand-held adjustable shower spray unit(s)	N/A	_____	_____	_____
Other options offered by builder [List in Part III]			_____	_____
<b>Common Room</b>				
	_____	_____	_____	_____

**Part II: Other Components and Features**

Dining room on accessible route of travel*	N/A	_____	_____	_____
Living room on accessible route of travel*	N/A	_____	_____	_____
Den on accessible route of travel*	N/A	_____	_____	_____
Split-level common room with accessible route of travel*	N/A	_____	_____	_____
No split level common room*	N/A	_____	_____	_____
Other options offered by builder [List in Part III]			_____	_____

<u>Feature</u>	<u>Status</u>	<u>Timing</u>	<u>Details</u>	<u>Add'l Info**</u>
Two or more bedrooms on accessible route of travel	N/A	_____	_____	_____
Closets have minimum 32" clear opening*	N/A	_____	_____	_____
Larger "walk-in" closets	N/A	_____	_____	_____
Closets have adjustable (36"-60") shelves and bars	N/A	_____	_____	_____
Other options offered by builder [List in Part III]		_____	_____	_____
<b>Laundry Area</b>				
Laundry area on accessible bath of travel	N/A	_____	_____	_____
Accessories:		_____	_____	_____
Accessible workspace	N/A	_____	_____	_____
Accessible cabinets	N/A	_____	_____	_____
Accessible handles//touch latches for doors/drawers	N/A	_____	_____	_____
Accessible appliances	N/A	_____	_____	_____
Other options offered by builder [List in Part III]		_____	_____	_____

**Part III: Additional Details, Components, or Features**

**A. External Features: Buyer Request** (Any other additional external feature requested at a reasonable time by Buyer that is reasonably available and reasonably feasible to install or construct and makes the residence more usable for a person with activity limitations or disabilities in order to accommodate them). These may include features such as high-visibility address numbers, electronic garage door openers, additional lights, door bench or package shelf, oversize garage, zero-step house/garage entry, etc. **(Attached as Part III. A: \_\_\_Yes \_\_\_No)**

**B. External Features: Seller Offer** (Any other additional external feature offered to Buyer by Seller that makes the residence more usable for a person with disabilities or activity limitations in order to accommodate them). **(Attached as Part III.B: \_\_\_Yes \_\_\_No)**

**C. Internal Features: Buyer Request** (Any other additional internal feature requested at a reasonable time by Buyer that is reasonably available and reasonably feasible to install or construct and makes the residence more usable for a person with activity limitations or disabilities in order to accommodate them). These may include features such as lowered window sills (under 36"), additional lighting, "touch" luminous light switches, automatic internal lights, additional wiring for electronic features, lighted closets, air filtration systems, larger/more automatic thermostats, pocket doors, etc. **(Attached as Part III.C: \_\_\_Yes \_\_\_No)**

**D. Internal Features: Seller Offer** (Any other additional internal feature offered to Buyer by Seller that makes the residence more usable for a person with activity limitations or disabilities in order to accommodate them). **(Attached as Part III.D: \_\_\_Yes \_\_\_No)**

**E. Variation from State Chapter 11A Standards:** (Any mutually agreed-upon features with standards different than Chapter 11A of the California Building Code, including clearly identified deviations from those standards). **(Attached as Part III.E: \_\_\_Yes \_\_\_No)**

**F. Additional features or requirements:** (Any mutually agreed-upon features not covered by Chapter 11A of the California Building Code for which additional detail would be helpful to Seller and Buyer, including clearly identified standards.) **(Attached as Part III.F: \_\_\_Yes \_\_\_No)**

*[Choose One of the Following]:*

**By signing below, Buyer hereby acknowledges that Buyer has received, read and understands this Addendum and that Buyer has not requested any universal design features set forth in the Checklist.**

  
\_\_\_\_\_  
Buyer

  
\_\_\_\_\_  
Buyer

**By signing below, Buyer hereby acknowledges that (i) Buyer has received, read and understands this Addendum and that Buyer has requested additional information from Seller regarding the availability and cost of certain universal design features identified in the Checklist, (ii) Seller is not responsible for the installation of any universal design feature unless Buyer and Seller enter into a Custom Option Order and Upgrades Amendment, and (iii) the Optional Items and Upgrades Addendum or Optional Items and Upgrades Amendment, as applicable, governs the ordering, deposit and payment procedures for ordering universal design features.**

\_\_\_\_\_  
Buyer

\_\_\_\_\_  
Buyer



**CORNERSTONE**  
C O M M U N I T I E S

**REAL ESTATE PURCHASE AGREEMENT, JOINT ESCROW INSTRUCTIONS, AND RECEIPT FOR DEPOSIT**

THIS CONTRACT AND THE 2-10 HOME BUYERS WARRANTY BOOKLET PROVIDED TO BUYER CONTAIN BINDING ARBITRATION PROVISIONS IN ACCORDANCE WITH THE FEDERAL ARBITRATION ACT. ARBITRATION INCLUDES A WAIVER OF THE CONSTITUTIONAL RIGHT TO A JURY. THIS CONTRACT AND THE FUNCTIONALITY STANDARDS ADDENDUM ALSO CONTAIN PROVISIONS REQUIRING THE APPLICATION OF CERTAIN CONSTRUCTION STANDARDS AND NON-ADVERSARIAL PROCEDURES FOR THE RESOLUTION OF CONSTRUCTION DEFECT CLAIMS IN ACCORDANCE WITH CALIFORNIA CIVIL CODE SECTION 895 ET SEQ. YOU MUST CAREFULLY READ THE ARBITRATION PROVISIONS, THE FUNCTIONALITY STANDARDS AND THE NON-ADVERSARIAL PROCEDURES, AND SHOULD CONSULT LEGAL COUNSEL WITH QUESTIONS.

<p><b>SELLER:</b> PROVENCE AT RHR L.P. 4365 Executive Drive, Suite 600 San Diego, California 92121 Telephone No. (858) 458-9700 Facsimile No. (858) 452-3600</p>	<p><b>BUYER:</b> Amir Tafreshi and Ali Irani - Tehrani Address: 11045 Clairemont Mesa Blvd. San Diego CA 92124 Telephone No. (Work): (619) 710-2637 Telephone No. (Home): (619) 895-7246 Cell Phone No.: 619-895-7246 Fax No.: E-mail:</p>
<p><b>ESCROW AGENT:</b> FIRST AMERICAN TITLE INSURANCE COMPANY 11512 El Camino Real #350 San Diego, California 92130 Telephone No. (858) 509-2107 Facsimile No. (866) 898-0113 Escrow No. Escrow Agent: Sheri Keene Escrow Email: skeene@firstam.com</p>	<p><b>VESTING:</b> TENANTS IN COMMON 50/50 (May be designated in writing prior to close of escrow)</p>

UPON FULL EXECUTION HEREOF, this Agreement shall constitute: (i) a contract between Buyer and Seller to purchase and sell certain real property on the terms and conditions set forth below; (ii) joint instructions to Escrow Agent to the extent the terms and conditions set forth below require an action on the part of Escrow Agent; and (iii) an acknowledgment by the Sales Representative of receipt from Buyer of the deposit specified in Paragraph 2(i) below.

1. **DESCRIPTION OF PROPERTY:** The real property to be purchased and sold hereunder ("Property") consists of the following described land and the improvements constructed, or to be constructed, thereon in substantial conformance with all applicable plans and specifications:

Project: Provence, Map No: 14922, Lot No: 37, Plan No: 2, Elevation: C, Color Scheme: 7 Location: 362 Bryan Point Dr.  
Chula Vista, CA 91914

2. **PURCHASE PRICE AND CASH PAYMENTS:**

(a) Purchase Price	849,990
(b) Options to be Added (see attached Customer Option Requests)	0
(c) Total Purchase Price (a + b)	849,990
(d) FHA Insurance/VA Funding Fee (if applicable)	0
(e) Estimated Closing Costs and Fees	13,632
(f) Total (c + d + e)	863,622
(g) Less Loan Amount	679,992
(h) Total Cash Payment Required of Buyer	183,630
(i) Less Deposit Received Prior to Opening Escrow	35,000
(j) Additional Cash Required to Close Escrow	148,630

3. **ESTIMATED TERMS AND MONTHLY PAYMENTS:** The following is a SAMPLE breakdown of monthly payments and is provided only to give Buyer an ESTIMATE of what the payments may be. SELLER IN NO WAY REPRESENTS OR WARRANTS THAT BUYER WILL BE ABLE TO OBTAIN A LOAN NOR DOES SELLER IN ANY WAY REPRESENT OR WARRANT WHAT INTEREST RATE OR AMORTIZATION PERIOD WILL BE AVAILABLE OR THE TERMS OF ANY THIRD PARTY FINANCING. Loan terms set forth in this Agreement are not intended to be all-inclusive, nor are they intended as a substitute for statutorily required lender's disclosure statements and documentation. Actual costs may vary from the estimates set forth below.

- (a) Pay and charge to Buyer (i) recording fees and documentary transfer tax fees (except for reconveyance fees for Seller's existing loans.), (ii) all fees, costs and charges in connection with any financing obtained by Buyer (including loan fees, appraisal, credit report, notary fees, impounds and other required payments for interest, taxes, assessments, homeowners association dues, and hazard insurance premiums), and (iii) the New Home One Rate Fee which includes the escrow fee, the lender's title policy and the owner's residential title policy.
- (b) Pay and charge to Seller (i) the fees to record reconveyances of Seller's existing loans, and (ii) the cost of beneficiaries' statements or demands.
5. **TAXES AND ASSESSMENTS:** In addition to applicable interest, rents, homeowners association dues, Private Mortgage Insurance and lender impounds (if any), real property taxes and assessments with respect to the Property shall be prorated between Buyer and Seller as of the close of escrow based on the latest available tax bills and schedule of assessments, subject to the following:
- (a) The parties hereto acknowledge that the Property may be presently assessed with other property and that the real property taxes, special taxes and assessments may not be segregated by the time this escrow closes. In the event that the real property taxes, special taxes and assessments are segregated and a tax bill is issued for the Property prior to the close of escrow, then escrow agent shall prorate the above-mentioned taxes based on the most-recent tax bill for the Property. In the event that no segregated tax bill is issued for the Property prior to the close of escrow, then escrow agent shall prorate the same based upon Seller's determination of the amount of real property taxes, special taxes and assessments applicable to the Property for the then-current fiscal year, which Seller shall submit to escrow agent in writing prior to the close of escrow. Seller's determination will be made by dividing the total taxes, special taxes and assessments shown on the most-recent available tax bill(s) for each tax assessor parcel by the total number of units in that parcel. All prorations and adjustments are to be made on the basis of a three hundred sixty five (365) day year.
- (b) Buyer may receive a supplemental tax bill for supplemental property taxes for the balance of the tax year in which the close of escrow occurs, which will be Buyer's obligation to pay. **SAID SUPPLEMENTAL ASSESSMENT WILL BE SENT TO THE BUYER DIRECTLY BY THE COUNTY TAX ASSESSOR AND WILL BE IN ADDITION TO THE NORMAL TAX INSTALLMENTS. BUYER ACKNOWLEDGES AND AGREES THAT BUYER SHALL HAVE THE SOLE RESPONSIBILITY FOR THE PAYMENT OF ALL TAXES AND ASSESSMENTS, IF ANY, SHOWN ON THE SUPPLEMENTAL TAX BILL.** The supplemental tax bill is payable per instructions contained therein. If the supplemental taxes are not paid before the date they become delinquent, a penalty will be due. If Buyer has an impound account for tax purposes, Buyer is aware that monthly payment to such account may be increased to reflect the increase in tax liability as indicated on the supplemental tax bill. Escrow agent is not responsible for determining if the lender's request for impound funds is sufficient to include payment of contemplated supplementary taxes and it will be the responsibility of Buyer to contact the lender with regard to payment of the supplemental taxes.
- (c) Buyer will be taking title to all non-delinquent general and special taxes and assessments, including any taxes, fees, charges or assessments under the "Mello-Roos Community Facilities Act of 1982," all of which will be prorated as of the close of escrow for the Property.
6. **LOAN APPLICATION:**
- (a) Buyer shall complete and deliver to **Liberty West Mortgage**, or other lending institution approved by Seller, within five (5) working days of the date of this Agreement, an application for a loan in the principal amount stated above (see **Paragraph 2(g)**). Buyer acknowledges that any lender proposed by Seller is only an accommodation to Buyer, and Seller is not a representative, nor in any way responsible for the actions, of such lender. In the event that Buyer's loan application with such lender is not approved, or such lender otherwise refuses to loan funds to Buyer, Seller is under no obligation to furnish such financing.
- (b) Buyer shall provide to Seller, within 10 working days of the date of this Agreement, each of the following:
- (i) Evidence that Buyer has been pre-qualified by a lender acceptable to Seller;
- (ii) The name of Buyer's lender ("Lender of Record")
- (iii) The address and telephone number and the name of the loan officer for the Lender of Record, if other than as set forth in **Paragraph 6(a)** above; and
- (iv) Satisfactory evidence of Buyer's ability to provide the balance of the funds required to close escrow. Buyer hereby authorizes Seller to verify with any appropriate party or financial institution Buyer's sources of funds to close escrow. Buyer shall execute a separate written statement confirming this authorization upon request of Seller or lender.
- (c) Failure of Buyer to submit a complete loan application to a lender approved by Seller within five (5) working days as set forth in **Paragraph 6(a)** above, or to provide to Seller within 10 working days the information set forth in **Paragraph 6(b)** above and to do all acts to complete and cause the timely funding of the loan, shall constitute a default by Buyer hereunder and shall allow Seller the right to terminate this Agreement. Buyer further agrees to submit, perform, acknowledge, deliver and do all things necessary or required by Seller, Buyer's mortgage broker, or the Lender of Record, within 10 working days after notice in order to (i) obtain such loan, (ii) complete the purchase of the Property, and (iii) execute any and all documents to carry out the transaction contemplated herein, including notes, deeds of trust, loan applications, verifications of employment and deposits, receipts for subdivision reports, and such other documents as may be required or appropriate to close escrow for this transaction.
- (d) Buyer shall provide Seller with a written final unconditional loan approval or other final unconditional confirmation of any third party financing, subject only to appraisal of the Property, within 10 calendar days following the date of this Agreement or 30 working days prior to the close of escrow, whichever is earlier ("Loan Approval Date"). In the event Buyer's loan application is not approved by the Loan Approval Date but is still being processed by the Lender of Record, Seller shall have the right in its sole and absolute discretion to either (1) terminate this Agreement and return any deposits to the Buyer as further described below, or (2) extend the deadline for the Loan Approval Date on the condition that buyer shall pay \$500 per day to help compensate for Seller's additional carrying costs in accordance with **Paragraph 14** below from the original Loan Approval Date until the earlier of the following to occur: (i) the date that Seller elects in its sole and absolute discretion to terminate and return all deposits to Buyer, or (ii) the earliest date the options or flooring listed in the document titled "Standard Option Cut-Off Dates" which are ordered by Buyer are released by Seller for installation. Additionally, in the event Buyer's loan application is not approved by the Loan Approval Date, subject only to appraisal of the Property, or if such Lender of Record otherwise refuses to loan funds to Buyer, or if Seller is not satisfied that Buyer has sufficient funds to close escrow based on the submittals and information provided by Buyer, then Seller may elect to terminate this Agreement, and if the loan is not approved through no fault of Buyer, but Buyer has acted in good faith and provided all information required by Seller, Lender of Record, Escrow Agent and/or title company, then Buyer shall be entitled to the return of its deposits made hereunder, less the actual costs of Buyer's credit report. By so accepting the return of such funds, Buyer shall be deemed to have waived and released any right Buyer may have to purchase the Property and/or any claim or interest in the same; provided, however, that if Buyer fails to obtain lender approval within such period of time as a

- (e) Buyer understands and acknowledges that Seller's representatives may from time-to-time contact lender concerning the loan sought by Buyer. Buyer hereby authorizes lender to discuss with Seller and its representatives any and all information and/or other matters concerning Buyer's loan application and to provide a copy of the loan application and other related documents to Seller upon Seller's request. This authorization from Buyer may be reproduced or photocopied and said copy shall be effective as the original authorization signed by Buyer. BUYER UNDERSTANDS AND ACKNOWLEDGES THAT BY COMMUNICATING WITH LENDER AND/OR OBTAINING BUYER'S LOAN APPLICATION AND OTHER RELATED DOCUMENTS PURSUANT TO THE FOREGOING AUTHORIZATION, SELLER DOES NOT THEREBY ASSUME ANY RESPONSIBILITY FOR OBTAINING SAID LOAN OR ANY OTHER FINANCING ON BUYER'S BEHALF AND SELLER MAKES NO REPRESENTATION OR WARRANTY THAT BUYER WILL EITHER QUALIFY FOR SAID LOAN OR ANY OTHER FINANCING. FURTHER, BUYER UNDERSTANDS AND ACKNOWLEDGES THAT SELLER IS NOT AN AGENT OR REPRESENTATIVE OF LENDER AND THAT SELLER WILL BE OBTAINING FINANCIAL INFORMATION AND/OR A COPY OF THE LOAN APPLICATION EXCLUSIVELY FOR THE PURPOSE OF FACILITATING THE CLOSE OF ESCROW AND FOR THIS PURPOSE, SELLER'S REPRESENTATIVES ARE ACTING EXCLUSIVELY ON BEHALF OF AND FOR THE BENEFIT OF SELLER.
- (f) Buyer shall not change the Lender of Record, the loan amount or the loan program after the date which is the earliest "Cut-Off" date for the installation of countertops or flooring listed on the document titled "Standard Option Cut-Off Dates" delivered to Buyer concurrently herewith and any failure of Buyer or the Lender of Record to close the loan on the Closing Date referenced in Paragraph 14 after obtaining the final unconditional loan approval referenced in Paragraph 6(d) shall constitute a default hereunder, for which Seller shall have the right to terminate this Agreement and retain Buyer's deposit(s) as provided in Paragraph 9 hereof.

7. ADDITIONAL TERMS:

*in the amount of \$ 154,077*

BUYER ACKNOWLEDGES THAT THE HOME INCLUDES UPGRADES LISTED IN "LOT DETAILS" DATED 7/17/07 FOR LOT 37.

BUYER'S INITIALS

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- 8. DEFAULT BY SELLER: IN THE EVENT THAT THIS AGREEMENT IS NOT PERFORMED BY SELLER IN ACCORDANCE WITH ITS TERMS AND PROVISIONS, SELLER BEING IN DEFAULT AND BUYER NOT BEING IN DEFAULT HEREUNDER, BUYER SHALL BE ENTITLED, AS ITS EXCLUSIVE REMEDY AT LAW OR IN EQUITY, TO OBTAIN A REFUND OF ALL MONIES PAID TO SELLER HEREUNDER.

BUYER'S INITIALS

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- 9. DEFAULT BY BUYER, BUYER'S BREACH; LIQUIDATED DAMAGES: IF BUYER DEFAULTS UNDER ANY TERMS OR PROVISIONS UNDER THIS AGREEMENT, SELLER SHALL BE RELEASED FROM ITS OBLIGATION TO SELL THE PROPERTY TO BUYER. IN ADDITION, SELLER MAY PURSUE ANY REMEDY AT LAW OR IN EQUITY THAT IT MAY HAVE AGAINST BUYER ON ACCOUNT OF SUCH DEFAULT; PROVIDED, HOWEVER, THAT BY PLACING THEIR INITIALS BELOW, BUYER AND SELLER AGREE THAT:

- (a) IN THE EVENT OF A DEFAULT OR BREACH OF THIS AGREEMENT BY BUYER, SELLER WILL BE DAMAGED AND WILL BE ENTITLED TO COMPENSATION FOR THESE DAMAGES, BUT SUCH DAMAGES WILL BE EXTREMELY DIFFICULT AND IMPRACTICAL TO ASCERTAIN AND BUYER DESIRES TO LIMIT THE AMOUNT OF DAMAGES FOR WHICH BUYER MIGHT BE LIABLE SHOULD BUYER BREACH THIS AGREEMENT. IN ADDITION, BOTH BUYER AND SELLER WISH TO AVOID THE COSTS AND LENGTHY DELAYS WHICH WOULD RESULT IF THE SELLER FILED A LAWSUIT OR INSTITUTED ARBITRATION TO COLLECT ITS DAMAGES FOR BREACH OF THIS AGREEMENT. THEREFORE, IN THE EVENT OF A DEFAULT OR BREACH OF THIS AGREEMENT BY BUYER, SELLER SHALL BE ENTITLED TO RETAIN AN AMOUNT EQUAL TO THE AGGREGATE DEPOSITS MADE BY BUYER HEREUNDER, INCLUDING OPTIONS AND EXTRAS, AS LIQUIDATED DAMAGES ("LIQUIDATED DAMAGES"). EXCEPT FOR THE ADDITIONAL REMEDIES PROVIDED TO SELLER UNDER THIS AGREEMENT, THE LIQUIDATED DAMAGES AND SELLER'S RIGHT TO TERMINATE THIS AGREEMENT SHALL CONSTITUTE SELLER'S SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF BUYER'S DEFAULT UNDER THIS AGREEMENT WHICH RESULTS IN BUYER'S FAILURE TO ACQUIRE THE PROPERTY AND SELLER WAIVES ANY OTHER RIGHTS TO SPECIFIC PERFORMANCE ON DAMAGES.

- (b) SELLER SHALL GIVE WRITTEN NOTICE ("SELLER'S NOTICE") BY REGISTERED OR CERTIFIED MAIL OR PERSONAL DELIVERY OR BY ANY OTHER MEANS AUTHORIZED FOR SERVICE BY CODE OF CIVIL PROCEDURE SECTION 116.340 TO ESCROW HOLDER AND TO BUYER THAT BUYER IS IN DEFAULT UNDER THE AGREEMENT AND THAT ESCROW HOLDER DISBURSE THE LIQUIDATED DAMAGES FROM BUYER'S DEPOSIT(S) TO SELLER UNLESS, WITHIN 20 CALENDAR DAYS OF RECEIPT OF THE SELLER'S NOTICE, BUYER NOTIFIES ESCROW HOLDER AND SELLER IN WRITING THAT BUYER OBJECTS TO THE DISBURSEMENT OF LIQUIDATED DAMAGES TO SELLER (THE "BUYER'S NOTICE")

PERCENT (3%) OF THE PURCHASE PRICE, THE PROVISION IS INVALID UNLESS THE PARTY SEEKING TO UPHOLD THE PROVISION ESTABLISHES THAT THE AMOUNT ACTUALLY PAID IS REASONABLE AS LIQUIDATED DAMAGES.

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10. ARBITRATION OF DISPUTES:

(a) PRE-CLOSING DISPUTES: IF BUYER GIVES WRITTEN NOTICE TO ESCROW HOLDER IN COMPLIANCE WITH PARAGRAPH 9(b) ABOVE, THEN A DISBURSEMENT OF THE DEPOSIT TO SELLER AS LIQUIDATED DAMAGES SHALL BE MADE ONLY PURSUANT TO THE DETERMINATION BY A COURT OF LAW THAT BUYER HAS DEFAULTED UNDER THIS AGREEMENT; PROVIDED, HOWEVER, THAT BY INITIALING IN THE SPACE PROVIDED BELOW BUYER AND SELLER AGREE THAT SUCH CONTROVERSY REGARDING THE DISPOSITION OF THE FUNDS DEPOSITED INTO THE ESCROW BY BUYER, AND ANY OTHER DISPUTE BETWEEN BUYER AND SELLER OCCURRING PRIOR TO THE CLOSE OF ESCROW, SHALL BE SETTLED BY ARBITRATION CONDUCTED BY JUDICIAL ARBITRATION AND MEDIATION SERVICES ("JAMS") IN ACCORDANCE WITH THE JAMS RULES THEN IN EFFECT, SUBJECT TO THE FOLLOWING TERMS: (A) THE FEE TO INITIATE THE ARBITRATION SHALL BE BORNE BY SELLER; PROVIDED, HOWEVER, THAT THE COSTS OF THE ARBITRATION SHALL BE BORNE AS DETERMINED BY THE ARBITRATOR; (B) THE ARBITRATOR SHALL BE NEUTRAL AND IMPARTIAL AND SHALL BE APPOINTED WITHIN THIRTY (30) DAYS AFTER BUYER GIVES WRITTEN NOTICE TO ESCROW HOLDER IN COMPLIANCE WITH PARAGRAPH 9(b) ABOVE; (C) THE ARBITRATION SHALL BE CONDUCTED IN THE COUNTY WHERE THE PROPERTY IS LOCATED, UNLESS THE PARTIES AGREE TO ANOTHER LOCATION; AND (D) THE ARBITRATOR SHALL BE AUTHORIZED TO PROVIDE ALL RECOGNIZED REMEDIES AVAILABLE IN LAW OR EQUITY FOR ANY CAUSE OF ACTION THAT IS THE BASIS OF THE ARBITRATION. JUDGMENT UPON THE AWARD RENDERED BY THE ARBITRATOR(S) MAY BE ENTERED IN ANY COURT HAVING JURISDICTION THEREOF.

(b) POST-CLOSING DISPUTES: IT IS HEREBY AGREED THAT ALL CLAIMS, DISPUTES, AND CONTROVERSIES BETWEEN BUYER AND SELLER ARISING FROM OR RELATED TO THE PROPERTY IDENTIFIED HEREIN, OR TO ANY DEFECT IN OR TO THE PROPERTY, OR THE SALE OF THE PROPERTY BY SELLER, INCLUDING BUT NOT LIMITED TO, ANY CLAIM FOR BREACH OF CONTRACT, NEGLIGENT, OR INTENTIONAL MISREPRESENTATION, SHALL BE SUBMITTED TO BINDING ARBITRATION BY AND PURSANT TO THE ARBITRATION PROVISION CONTAINED IN THE MOST RECENT EDITION OF THE 2-10 HOME BUYERS WARRANTY BOOKLET, AS OF THE DATE OF THE EXECUTION OF THIS AGREEMENT. THAT BOOKLET HAS BEEN MADE AVAILABLE TO BUYER, AND IS INCORPORATED HEREIN BY REFERENCE, AND MADE A PART OF THIS AGREEMENT.

11. NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS SUCH RIGHTS ARE SPECIFICALLY INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION TO NEUTRAL ARBITRATION. (CODE OF CIVIL PROCEDURE SECTION 1298).

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12. NON-DEFAULTING BUYER: If through no fault of Buyer, this escrow shall not close within one year from the date of the acceptance of this Agreement by Seller, Buyer shall have the right to the return of all monies then deposited by Buyer into escrow, without interest and deduction, within 15 days of Escrow Agent's receipt of mutually signed cancellation instructions, and Seller shall bear the expense of escrow cancellation costs.

13. HOMEOWNERS ASSOCIATION: Monthly assessments to the Homeowners Association, if any, are currently \$ 252.00 per month. Such assessments will be prorated to close of escrow. Upon close of escrow, Buyer shall automatically become a member of the Homeowner's

- (a) 10/31/09 ("Estimated Date"), or
- (b) Within 10 calendar days from the date of written notification by Seller to Buyer that the Property will be complete and ready for occupancy (other than the installation of flooring and other options selected by Buyer and the completion or correction of any items identified by Buyer during the walk-through inspection, none of which shall delay the close of escrow).

BUYER ACKNOWLEDGES THAT SELLER WILL INCUR CARRYING COSTS FOR THE PROPERTY THROUGH THE ACTUAL DATE OF THE CLOSE OF ESCROW, WHICH MAY INCLUDE (WITHOUT LIMITATION) LOAN INTEREST CHARGES, PROPERTY TAXES AND ASSESSMENTS, HOMEOWNER ASSOCIATION DUES, AND INSURANCE COSTS. BUYER HEREBY AGREES THAT SHOULD ESCROW NOT CLOSE ON OR BEFORE THE SCHEDULED CLOSING DATE DUE TO BUYER'S DELAY IN TIMELY PERFORMING ALL OF BUYER'S OBLIGATIONS UNDER THIS AGREEMENT (E.G. FUNDING THE PURCHASE PRICE, COSTS AND PRORATIONS; EXECUTING ANY LOAN DOCUMENTS OR ESCROW INSTRUCTIONS; ARRANGING FOR THE TRANSFER OF UTILITIES; SELECTION OF FLOORING AND ANY OPTIONS; ETC.), SELLER MAY ELECT IN ITS SOLE AND ABSOLUTE DISCRETION TO PROCEED WITH THE CLOSE OF ESCROW NOTWITHSTANDING ANY SUCH DELAY CAUSED BY BUYER. IN THE EVENT SELLER MAKES SUCH ELECTION, THE PARTIES HEREBY AGREE AND INSTRUCT ESCROW HOLDER TO DEBIT BUYER AND CREDIT SELLER THROUGH ESCROW THE SUM OF \$500.00 PER DAY FROM THE SCHEDULED CLOSING DATE TO THE ACTUAL CLOSING DATE TO HELP COMPENSATE FOR SELLER'S ADDITIONAL CARRYING COSTS APPLICABLE TO THE PROPERTY.

THE FOREGOING PROVISION SHALL NOT CONSTITUTE A WAIVER BY SELLER OF ANY DEFAULT OF THIS AGREEMENT BY BUYER UNLESS AND UNTIL ESCROW CLOSES AND SELLER COLLECTS SUCH CARRYING COSTS IN THE DAILY SUM REFERENCED ABOVE IN LIEU OF EXERCISING SELLER'S OTHER LEGAL AND EQUITABLE RIGHTS AND REMEDIES ARISING FROM BUYER'S DEFAULT UNDER THIS AGREEMENT. ACCORDINGLY, SELLER RESERVES ALL OF ITS RIGHTS AND REMEDIES WITH RESPECT TO ANY SUCH DEFAULT, INCLUDING, WITHOUT LIMITATION, SELLER'S RIGHT TO TERMINATE THIS AGREEMENT AT ANY TIME AND PERFECT ITS CLAIM TO THE LIQUIDATED DAMAGES AS PROVIDED HEREIN.

BUYER'S INITIALS A I T A C

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- 15. **CONSTRUCTION OF RESIDENCE:** Seller agrees to complete in a good workmanlike manner the improvements upon the Property, furnishing all labor and materials. Such improvements shall be constructed and completed substantially in conformance with the plans and specifications on file with and approved by the appropriate governmental authority.

Buyer agrees that neither Buyer, its agents, employees or subcontractors shall be permitted to make any changes or modifications including additions, to the Property during the pendency of escrow without first obtaining Seller's written consent. Any and all changes, modifications or additions made to the Property by Buyer, or at Buyer's request, shall be excluded from coverage under the 2-10 Home Buyers Warranty (described in Section 20), including any items constructed by Seller which are affected by Buyer's changes, modifications or additions. Buyer agrees that Buyer will cooperate with Seller in the construction of the improvements on the Property in accordance with this Agreement. Buyer understands that in order to permit the work to progress in an orderly fashion, no interference with Seller's work may be permitted. Buyer further recognizes that because of requirements of the California and Federal Occupational Safety and Health Acts, as well as insurance requirements of Seller and subcontractors, Buyer may not enter the construction site.

Seller reserves the exclusive right to make any changes or substitutions at any time as Seller deems necessary or desirable in the plans and specifications, construction, materials, fixtures and other integrals which are of substantially equal utility and quality and which meets with the approval of the appropriate governmental authorities having jurisdiction. Consultation with Buyer with respect to the specifications of the residence on the Property shall not be deemed a waiver of Seller's rights to make any such changes.

- 16. **COMPLETION OF RESIDENCE:** Notwithstanding Paragraph 14, Buyer and Seller agree that Seller shall use reasonable efforts to complete the construction of the residence on the Property on or before the Estimated Date; provided, however, that in the event Seller is delayed in completing said work for any reason beyond the reasonable control of Seller, then and in that event, the date set for the close of escrow shall be extended to a date 10 calendar days after the date of written notification by Seller to Buyer that the Property will be complete and ready for occupancy (other than the installation of flooring and other options selected by Buyer and the completion or correction of any items identified by Buyer during the walk-through inspection, none of which shall delay the close of escrow). However, if for reasons beyond the reasonable control of Seller, the improvements are not completed within one year from the acceptance of this Agreement by Seller, as extended by force majeure delays or agreement of the parties, this Agreement may be cancelled by Buyer or Seller, and in the event of any such cancellation, both parties shall be relieved of all duties and obligations hereunder and Buyer shall be entitled to the return of any and all deposits.

Buyer shall comply with all deadlines set forth in the Buyer's Guidelines delivered to Buyer by Seller, or as otherwise imposed during escrow by Seller, in selecting flooring, upgrades and/or extras authorized by Seller to be installed in the Property (collectively, "Optionals"). In the event that Buyer has not notified Seller in writing by the applicable deadline of its selection of any Optionals, then Buyer will conclusively be presumed to have authorized Seller to select the colors, to have accepted standard items, and to have elected no Optionals. If Seller authorizes Buyer to select its own upgrades or extras from third parties, limited to the types of upgrades or extras offered by Seller, the prior consent of Seller must be obtained prior to any third party performing any labor or delivering or installing any material in the Property prior to the close of escrow. If Buyer selects any Optionals, Buyer must immediately increase the deposit by the price of the Optionals and execute and deliver an additional liquidated damages agreement to account for the increased deposit. A walk-through inspection of the improvements constructed on the Property will be conducted following the signing of loan documents and depositing of Buyer's additional cash requirements to close escrow. At that time, Buyer will be given the opportunity to note any items that need to be completed or corrected. Close of escrow is not contingent upon such walk-through items being completed or corrected prior to the close of escrow. Buyer shall not be entitled to possession of the Property, or to the right of entry onto the Property, until the close of escrow.

- 17. **CONDITIONS OF TITLE, TITLE INSURANCE:**

- (a) Seller shall deposit into escrow a grant deed conveying title of the Property to Buyer as set forth herein.
- (b) Buyer's title to the Property, which shall exclude all oil, water, gas and other hydrocarbon substances and minerals underlying the Property, shall be insured by a CLTA standard coverage policy of title insurance with liability in the amount of the Total Purchase Price, subject only to:
  - (i) Non-delinquent real property taxes and assessments, if any;
  - (ii) Covenants, conditions, restrictions, reservations and easements, rights and rights of way of record; and

(iv) Seller shall have recorded a Notice of Non –Adversarial Procedure under the California Civil Code section 912(f) and Escrow Agent shall have confirmed that such Notice has been recorded.

18. **ASSIGNMENTS:** This Agreement and the rights of Seller hereunder may be assigned, sold, transferred or hypothecated by Seller. This Agreement and the rights of Buyer hereunder may not be assigned, sold, transferred or hypothecated by Buyer without the prior written consent of Seller, in its sole and absolute discretion without reference to any standard of reasonableness.

19. **BUYER'S REPRESENTATIONS:** Except as previously disclosed in writing to Seller, Buyer expressly represents and warrants that Buyer has not entered into and will not enter into during the term of the escrow established hereunder, any other real estate purchase contract, including receipts for deposit, of any other residential unit under which escrow has not closed or title transferred prior to the date Buyer signs this Agreement. In the event there are other such contracts, this Agreement shall be voidable at the option of Seller at any time prior to close of escrow. Seller shall be released from its obligation to sell the Property to Buyer and will be entitled to "Liquidated Damages" in accordance with Provision #9 of this Agreement.

(a) Buyer further represents to Seller there is no broker co-op or referral fee involved in the purchase of said Property. Buyer agrees to indemnify, defend, and hold Seller and its affiliated entities harmless from any and all claims, commissions, referrals or finder's fees in connection with this transaction (including attorney's fees and related costs).

20. **HOME BUYERS WARRANTY:** SELLER IS HEREBY PROVIDING BUYER WITH THE WARRANTY CONTAINED IN THE MOST RECENT EDITION OF THE 2-10 HOME BUYERS WARRANTY BOOKLET, AS OF THE DATE OF THE EXECUTION OF THIS AGREEMENT, WHICH IS INTENDED TO ALSO SATISFY THE REQUIREMENTS OF THE "FIT AND FINISH" WARRANTY REQUIRED BY CALIFORNIA CIVIL CODE SECTION 900. THAT BOOKLET HAS BEEN MADE AVAILABLE TO BUYER, AND IS INCORPORATED BY REFERENCE, AND MADE A PART OF THIS AGREEMENT. THE WARRANTY CONTAINED IN THE HOME BUYERS WARRANTY BOOKLET IS THE SOLE WARRANTY PROVIDED TO BUYER. ANY OTHER WARRANTY OR WARRANTIES, WHETHER EXPRESS OR IMPLIED, ARE DISCLAIMED BY SELLER AND WAIVED BY BUYER, UNLESS AND TO THE EXTENT OTHERWISE PROVIDED BY CALIFORNIA LAW.

BUYER'S INITIALS

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21. **RECEIPT OF DOCUMENTS:** Buyer acknowledges that Buyer has read, understood and received a copy of this Agreement, together with the documents indicated on the Receipt for Documents form previously delivered to and signed by Buyer.

22. **REPRESENTATIONS AND ACKNOWLEDGEMENTS:** In addition to any other express representations or acknowledgements of Buyer contained in this Agreement and the documents referenced herein, the matters set forth in this Paragraph 22 constitute representations and acknowledgements of Buyer (i) which, to the extent the same are known, shall be true and correct as of the date that Buyer signs this Agreement, but (ii) which shall in any event be true and accurate as of the close of escrow for the purchase by Buyer and sale by Seller of the Property. In the event that during the period between the date Buyer signs this Agreement and the close of escrow hereunder, Buyer learns, or has reason to believe, that any of the following representations and acknowledgements have ceased or may cease to be true or accurate, then Buyer shall give written notice thereof to Seller immediately.

(a) **Boundary Lines:** The grading of the Project may result in the boundary lines for the Property not being located at either the top or the bottom of any slopes. The Final Map and/or Condominium Plan determine the boundary lines for the Project, not by grading or topography. The perimeter walls and/or fences of the Property and the Project are located according to the grading of the slopes, and may not necessarily be located on the boundary lines. Buyer should consult a registered civil engineer as to any questions regarding boundaries.

(b) **Grading:** The Project has been graded according to the drainage specifications established by the appropriate governmental agency and Seller will not be responsible for the drainage characteristics, subsurface moisture or erosion of the Project caused by any changes to the grade by Buyer, whether through the installation of landscaping or otherwise. Buyer agrees not to make any changes to the grade or the lot without the prior consent of Seller, or if applicable, the Architectural Committee established for the Project and, if required, by the ordinances or regulations of any governmental agency. Buyer understands that failure to adequately landscape the Property may result in erosion and resulting changes in the drainage patterns of the Project.

(c) **Soils Condition:** Soils and geotechnical conditions vary throughout California, and soils are often expansive or composed of large amounts of rock and may react in differing manners to various structural loads. Although all lots in the Project have been graded and compacted in accordance with the recommendations of a geotechnical engineer, Seller makes no representation or warranty as to the adequacy of the soils condition for improvements other than those constructed by Seller. Buyer shall engage the services of a qualified contractor and geotechnical engineer for the installation of any improvements (including, without limitation, swimming pools and spas) to ensure appropriate design and construction methods, including proper drainage and stabilization measures. Due to differing geologic conditions, design methods vary from location to location. A copy of the soils and geologic report for the Project is on file at the responsible city or county agency for Buyer's review.

(d) **Moisture Percolation:** Due to varying soils conditions on the Property and/or in the surrounding area, some planting areas on the Property may be resistant to moisture percolation. For example, irrigation water may collect beneath a tree rather than percolate into the ground and could cause the tree to become oversaturated or "waterlogged" and wither or die if adequate protection measures are not taken. Buyer shall employ the services of a professional when planning and installing Buyer's landscaping, irrigation and drainage system to properly address the soils condition of the Property and the surrounding area and Seller shall not be responsible for any damage or injury resulting from any failure by Buyer to provide for proper moisture percolation.

(e) **Drainage:** The Property has been designed to adequately accommodate anticipated drainage and water runoff. Area drains and/or swales may be located on the Property. If Buyer installs and/or changes landscaping, realigns or interferes with the existing grade or in any way interferes with such area drains and/or swales, Buyer may cause blockage in the existing drainage system and flooding, subsidence of supporting soils, or other damage to the Property and/or nearby properties. Buyer shall employ the services of a professional when installing and/or changing landscaping, realigning or interfering with the existing grade or interfering with such area drains or swales, and will at all times take adequate precautions to ensure proper drainage. Seller shall not be responsible for any damage or injury resulting from such landscaping, alteration of the drainage system, or realignment or interference with the existing grade by Buyer or any other person or entity.

(f) **Model Home:** Buyer understands that the Property may not be built to the precise specifications or designs of any model home, or to the specifications of Buyer. Any model home is displayed for illustrative purposes only and shall not constitute an agreement to deliver the Property purchased in exact accordance with any model home. None of the furnishings, landscaping, or other upgrade items shown in any model home site is included in this Agreement unless Seller specifically agrees in writing to deliver the same as part of the Purchase Price by inclusion as

matters of record affecting the Property. Buyer agrees to accept such easements and other matters of record as a part of the purchase of the Property.

- (j) **Utilities:** Buyer is responsible for requesting the installation of utility meters and for obtaining service for telephone, electricity, gas, water, cable television, and garbage service, as applicable, prior to the close of escrow. **As of close of escrow, all utilities under builder's name will be terminated.**
- (k) **Areas Outside Of The Project:** Seller makes no representation nor takes responsibility for any activity or condition which takes place or arises on any area outside the boundaries of the Project.
- (l) **Insulation of Residence:** The insulation installed or to be installed in your new home complies with R-Value standards prescribed by Title 24 Energy Conservation Requirements for any energy efficient home in your area. R-Value measures resistance to heat flow. The higher the R-Value, the greater the insulation power. In accordance with these R-Value standards, insulation will be installed in your new home to achieve the following R-values at the time of installation of insulation:

Installed In	Thickness	R-Value	Type
Ceiling/Attic (over living area)	10 3/4"	R-30	Batts
Floor Over garage (w/living area above and overhangs)	6 1/4"	R-19	Batts
Exterior Walls (2x4 framing)	3 1/2"	R-13	Batts
Exterior Walls (2x6 framing)	6 1/2"	R-19	Batts
Garage Common Walls (2x4 framing) and attic knee walls	3 1/2"	R-13	Kraft Faced Batts
Garage Common walls (2x6 framing)	6 1/4"	R-19	Kraft Faced Batts
Air Infiltration Areas	Foam	N/A	Foam Sealant

However, insulation may be of lesser thickness and R-value than indicated in certain areas where the design and/or construction of the home do not permit greater thickness. Examples of such locations where the thickness and R-value may vary include locations where the studs are placed in the walls, at corners and windows where the roof trusses attach to the outside walls. These figures and insulation characteristics are based upon information from the manufacturer, installer and/or supplier of the insulation.

- (m) **Hazardous Materials:** Seller makes no warranty or representation as to the existence on, in, under, or about the Project, or any adjoining property, of any hazardous or toxic substances or petroleum products (collectively, "Hazardous Materials"), except that Seller represents that it has no actual knowledge as of the close of escrow of the existence of any Hazardous Materials on, in or under the Project or any adjoining properties. Buyer acknowledges that it is assuming the risk of the existence of such Hazardous Materials in, on or about the Project, except to the extent the same were placed on the Project by Seller or Seller had actual knowledge of the same as of the close of escrow, and Buyer hereby waives any claim or cause of action against Seller arising out of the existence of any such unknown Hazardous Materials. Buyer is advised to engage qualified experts and inquire of governmental officials regarding all possible hazards.
- (n) **Plans and Dimensions:** The blueprint drawings, sales brochures, plot plans, improvement plans and other documents and information regarding the Property and the Project all contain dimensions that are approximate. They are not intended to be precise dimensions with regard to the subdivision and its improvements. Construction will occur in substantial conformance with the plans and specifications therefor, but dimensions will vary based on factors such as construction variances, method of measurement, architectural modifications, etc.
- (o) **Changes by Seller:** Seller may, in its sole discretion, change its pricing, product, development plan and/or marketing methods for the Project or other phases of the Project, including without limitation, the following which may adversely affect the value of the Property:
- Seller may elect to sell other residences, lots, or units in the current phase of the Project, or in future phases, under terms and conditions which are more favorable than those offered to Buyer;
  - Seller may elect to sell residences, lots, or units in bulk to another builder or by auction (with or without reserve) to members of the general public under terms and conditions which are more favorable than those offered to Buyer;
  - Seller may elect not to build residences on each lot in the current phase or future phases of the Project, or may elect to build a different type or size of residences on smaller or larger lots, or may use different construction methods to build such residences; or
  - Seller may elect to build residences of the same type as the Property in this or future phases, but to reduce the sales price for such residences, or to improve such residences with more or less expensive features and amenities.
- (p) **Post-Tension Concrete Slab:** Due to certain underlying soil conditions, the residential dwelling on the Property may have been built using a post-tension concrete slab, which involves placing steel cables under high tension in the concrete slab foundation located beneath such residential dwelling. Any attempt to alter or pierce the foundation (for example, by saw cutting, drilling, or installing subterranean improvements such as plumbing or a floor safe) could damage the integrity of the post-tension concrete slab and/or cause serious personal injury or property damage. Buyer hereby agrees that Seller shall not be responsible for any damage or injury resulting from the alteration of such slab or foundation by Buyer or by any other person or entity.

tile grout. The use of colored grout may result in the discoloration, flecking, and/or cracked appearance of the ceramic tile in the areas where colored grout is used. Because marble, stone and some tiles are natural materials, the color of any such product installed as an option may vary from the model sample. Similarly, the finish color, wood color and wood grain of any natural wood cabinets installed may vary from the samples displayed in the models and may not be consistent throughout the cabinets installed in the Property.

- (t) **Building Exteriors:** Stucco, like concrete, is a cement-based product subject to hairline cracking due to, among other reasons, drying shrinkage, settlement, wood shrinkage, earthquakes and weather conditions.
- (u) **Proposition 65 Warning:** The following brief explanation has been prepared to answer any questions Buyer might have regarding the Proposition 65 warning signs which may be posted at the Sales Office and Model Homes, indicating the reasoning and necessity for posting these warning signs, which generally read as follows: "Materials included in the construction of the homes in the Project will expose Buyer to formaldehyde, a substance known to the State of California to cause cancer. The exposures are caused by materials of which the homes are built. Further information may be obtained from the builder/seller." The United States Environmental Protection Agency, the California Air Resources Board, and other agencies have measured the presence of formaldehyde in the indoor air of homes in California. Levels of formaldehyde that present a significant cancer risk has been measured in most homes. Formaldehyde is present in the air because it is emitted by a variety of building materials and home products purchased by Seller from materials suppliers. These materials and products include carpeting, pressed wood products, insulation, plastics, and glues. The homes within the Project have not been tested. Given the cost of testing, it is not feasible to test every home to ascertain the level of formaldehyde present. Most homes that have been tested elsewhere do contain formaldehyde, although the concentrations vary from home to home with no obvious explanation for the differences. One of the problems is that many suppliers of building materials and home products do not provide information on chemical ingredients to builders. In the absence of specific information on these homes, and in light of the materials used in their construction, Seller believes that a warning is necessary. Buyer may have further questions about these issues. Seller is willing to share any further information it has obtained and will provide, upon request, a list of known material suppliers which may be contacted for further information, and whether any inquiry has been made by Seller.
- (v) **Easements and Open Space Areas:** The Project contains certain areas where easements have been granted to the State, County or other governmental or quasi-governmental agencies (e.g. utility companies, phone and cable companies, water districts, sewer districts, lighting and landscape districts, homeowners association, etc.). Easements have also been granted as shown on the Final Map, Supplementary Declaration, and as disclosed in the Public Report and Title Report for the Property. These may impact the use and maintenance of the Project and/or individual residences. Several easements are located in and around the Project, which provide for utilities, open space, and flowage and drainage. Seller makes no representation or warranty with respect to these easements, nor is Seller responsible for the maintenance or use of these areas. Please review the Title Report issued through escrow as to the particular terms, scope and locations of any easements affecting the Property. The location of Buyer's residence on the Property may be affected by one or more of the items listed below, which are shown in various plans, copies of which may be viewed in the Sales Office. However, locations are approximate and may not be to scale. The meter locations may be configured differently than as shown in the models. Seller does not control the placement or location of transformers and handholds, cable television, telephone pedestals, streetlights, fire hydrants, street name signs, cluster mailboxes, and handicap curb access. Please ask your Salesperson for details. No warranties or representations are made that such plans are complete or that the locations will not change.
- |                                   |                     |   |
|-----------------------------------|---------------------|---|
| ◆ Gas and electric transformers   | ◆ Cluster mailboxes | ◆ Easements                                   |
| ◆ Gas and electric line easements | ◆ Fencing           | ◆ Recreational facilities                     |
| ◆ Telephone pedestals             | ◆ Streets           | ◆ Drainage swales and/or lines                |
| ◆ Cable television pedestals      | ◆ Parking lots      | ◆ Irrigation and landscape features           |
| ◆ Cellular Sites                  | ◆ Retaining walls   | ◆ Slope planting & maintenance responsibility |
- (w) **Retaining Walls & Fencing:** Water and other natural elements and conditions may cause effervescence and/or discoloration to occur in the retaining walls and fencing, due to the fact that the retaining walls and fencing consist of natural materials and are not water proofed. Discoloration and/or effervescence has no effect on the integrity of the structure. Buyer acknowledges that all fence locations; materials and height may vary due to special site conditions, locations and proximity within the Project.
- (x) **Garages:** The physical dimensions of the garage area of the residence to be constructed on the Property may not accommodate the size of your specific make and model of vehicle. Buyer acknowledges that the CC&R's generally require vehicles to be parked in the garage and that it is Buyer's responsibility to verify the ability to fully comply with such requirement. Seller advises that garage depths and widths may vary from the Model Homes. Buyer acknowledges that Buyer has inspected the garage in the Property and acknowledges acceptance of the width, depth and configuration.
- (y) **Home Components:** Seller has contracted with various subcontractors to build in substantial accordance with the plans and specifications approved by the City or County in which the Property is located. This includes (without limitation) standard flooring, which may be upgraded prior to close of escrow at Buyer's cost only through Seller's subcontractor. Seller does not allow work by outside contractors prior to close of escrow, nor does Seller provide any credit or allowances to Buyer.
- (z) **Landscape Review:** The Homeowner Association, if applicable, may require a fee to accompany each landscape improvement application for approval. Please refer to the CC&R's, Community Design Book or contact the Homeowners Association for further information.
- (aa) **Enhanced Elevations:** Due to enhanced elevations including window specifications and front door design, your home may differ from those shown in the model, brochure or floor plan (i.e. movable windows may become fixed or windows may change size or locations). Please see your Sales Representative for details.
- (bb) **Property Lines:** Grading, earthen berms, swales and fencing may not be located on the property lines. The property corners indicated on the record map have been set by certified, licensed engineers.
- (cc) **Pool/Spa/Gates/Excavation:** Buyer acknowledges that any fencing and/or gates installed by Seller are not necessarily intended to conform to barrier fencing required for pools or spas. Buyer will be responsible to provide any and all such agency required barriers if they choose to install a pool and/or spa. The soils of the Property may contain rocks and other materials, which make it difficult, expensive or impractical to excavate for a pool or spa.
- (dd) **Miscellaneous:** Buyer acknowledges that Seller has not made any written or oral statement, representation or warranty with respect to the Property or the Project that is not specifically set forth in this Agreement or other documents provided to Buyer as indicated under

MAY BE UNIQUELY WITHIN THE KNOWLEDGE OF BUYER AND MAY NOT BE KNOWN TO SELLER. ACCORDINGLY, THE PARTIES FURTHER ACKNOWLEDGE AND AGREE THAT (A) THE TRUTH AND ACCURACY AS OF THE CLOSE OF ESCROW OF EACH REPRESENTATION, ACKNOWLEDGEMENT AND WARRANTY OF BUYER SET FORTH IN THIS PARAGRAPH 22 AND ELSEWHERE IN THIS AGREEMENT OR IN THE PROJECT DISCLOSURES SHALL BE A CONDITION PRECEDENT TO SELLER'S OBLIGATION TO CONVEY THE PROPERTY TO BUYER, REGARDLESS WHETHER THE SAME EXPRESSLY SO PROVIDE; (B) BUYER'S FAILURE TO GIVE NOTICE TO SELLER PRIOR TO THE CLOSE OF ESCROW THAT ANY SUCH REPRESENTATION, ACKNOWLEDGEMENT OR WARRANTY HAS CEASED OR MAY CEASE TO BE TRUE OR ACCURATE SHALL BE CONCLUSIVELY DEEMED A REPRESENTATION AND WARRANTY BY BUYER THAT THE REPRESENTATIONS, ACKNOWLEDGEMENTS AND WARRANTIES OF BUYER SET FORTH IN THIS PARAGRAPH 22 AND ELSEWHERE IN THIS AGREEMENT AND IN THE PROJECT DISCLOSURES ARE TRUE AND ACCURATE AS OF THE CLOSE OF ESCROW; AND (C) SELLER SHALL BE ENTITLED TO RELY ON BUYER'S NOTICE OR LACK OF NOTICE OF THE FAILURE OF ANY SUCH REPRESENTATION, ACKNOWLEDGEMENT OR WARRANTY IN DETERMINING WHETHER SUCH CONDITION HAS BEEN SATISFIED. ANY WAIVER BY SELLER OF THE FOREGOING CONDITION PRECEDENT SHALL BE EFFECTIVE ONLY IF THE SAME IS IN WRITING, SIGNED BY SELLER AND DELIVERED TO ESCROW AGENT PRIOR TO THE CLOSE OF ESCROW. BUYER AND SELLER EACH ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTOOD THIS PARAGRAPH, AND, BY THEIR INITIALS IMMEDIATELY BELOW, AGREE TO BE BOUND BY ITS TERMS.

BUYER'S INITIALS

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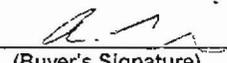
SELLER'S INITIALS

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23. **TIME IS OF THE ESSENCE:** Time is of the essence with respect to the performance of the terms of this Agreement.
24. **DUTY TO COOPERATE:** Buyer hereby acknowledges that there may be changes in the law which applies to the Property prior to close of escrow, and further acknowledges that Civil Code Section 895 et seq. became effective January 1, 2003. The implementation of Civil Code Section 895 et seq. or future changes in the applicable law could require changes to this Agreement, consistent with the requirements of Civil Code Section 895, et seq. or such other law. Buyer therefore agrees to reasonably cooperate with Seller to execute any changes or amendments to this Agreement which Seller, in its reasonable discretion, deems necessary for the implementation of Civil Code Section 895 et seq. or for any other changes in law relating to the Project, including promptly executing any amendments or acknowledgements reasonably requested by the Seller.
25. **PROPERTY INSURANCE:** Buyer acknowledges that fire, hazard and/or flood insurance may be required and that Buyer is responsible for providing all insurance for the Property (except to the extent provided by any applicable Homeowners Association) and for complying with lender's insurance requirements. Buyer shall obtain such insurance from an insurance company of Buyer's choice with such coverage as Buyer may select, subject to the approval of the Lender of Record. If Buyer fails to obtain the required insurance, which shall be evidenced by an appropriate policy submitted no later than five (5) working days before close of escrow, Buyer hereby authorizes Seller to obtain suitable insurance and pay the cost of such insurance premium from funds on deposit with escrow. Buyer agrees to reimburse Seller for the costs of such insurance at the close of escrow. In addition, unless Buyer is purchasing an attached condominium unit, Buyer will be responsible for obtaining fire, liability and property damage coverage on the entire residential structure, its contents and related improvements.
26. **LEASE OF DWELLINGS:** Buyer understands that Seller reserves the right to lease other property in the Project, remaining unsold from time to time on a short term basis, pending sale and close of escrow of such other property.
27. **NOTICES:** Unless otherwise specified, in this Agreement all notices shall be given by any reasonable means, including, without limitation, telephone, facsimile, telegraph, personal delivery or U.S. mail, and shall be deemed delivered upon receipt or 48 hours after deposit in the U.S. mail system, addressed as set forth below. Notwithstanding the foregoing, all notices to Seller described in the Functionality Standards Addendum shall be delivered as set forth in that Addendum.
28. **MODIFICATION OF AGREEMENT:** No salesperson, employee, agent of the Seller, or independent broker has any authority to modify the terms of this Agreement or to make any agreements, representations or promises except those expressly provided herein or added in writing and attached hereto, signed by both Buyer and an authorized representative of Seller. Buyer agrees that no other agreements, representations or promises were made to Buyer to induce Buyer to purchase the Property except as expressly provided in this Agreement. Buyer further agrees that no agreement or representation has been made by the Seller, its agents or representatives to obtain any loan for the Buyer or to guarantee that Buyer will secure any loan.
29. **ENTIRE AGREEMENT:** This Agreement contains the entire understanding between the parties hereto and supersedes any prior or contemporaneous understanding, correspondence, negotiations, or agreements between all or any of them respecting the subject matter hereof. No alteration, modification, or interpretation hereof shall be binding unless in writing and signed by all of the parties hereto.
30. **SEVERABILITY:** If any provision of this Agreement to any party or circumstance shall be determined by competent jurisdiction to be invalid and unenforceable to any extent, the remainder of this Agreement or the application of such provision to such person or circumstance, other than as to which it is so determined invalid or unenforceable, shall not be affected thereby, and each provision hereof shall be valid and shall be enforced to the fullest extent permitted by law.
31. **AGENCY:** By the signature below, Buyer hereby acknowledges that Sales Representative is the agent of the Seller exclusively.
32. **COUNTERPARTS AND EXECUTION:** This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument. In addition, this Agreement may contain more than one counterpart of the signature page and this Agreement may be executed by affixing the signature of each party to a counterpart signature page. All of the counterpart signature pages shall be read as though one, and shall have the same force and effect as though all parties hereto had signed a single signature page.

BUYER'S SIGNING OF THIS AGREEMENT SHALL CONSTITUTE ONLY AN OFFER TO PURCHASE THE PROPERTY. EXECUTION OF THIS AGREEMENT BY SALES REPRESENTATIVE ALONE WITHOUT EXECUTION ALSO BY THE AUTHORIZED REPRESENTATIVE OF SELLER DOES NOT BIND SELLER.

BUYER IS ADVISED TO CAREFULLY REVIEW AND UNDERSTAND THE RIGHTS AND OBLIGATIONS OF BUYER UNDER THIS AGREEMENT AND ALL OTHER DOCUMENTS SET FORTH ON THE RECEIPT FOR DOCUMENTS SIGNED BY BUYER CONCURRENTLY WITH THIS AGREEMENT. IN CONNECTION THEREWITH, SELLER HEREBY GRANTS BUYER A LIMITED RIGHT TO RESCIND THE OFFER UNTIL 5:00PM ON THE THIRD CALENDAR DAY AFTER THE DATE OF BUYER'S SIGNATURE SET FORTH BELOW. BUYER MAY TIMELY EXERCISE THE RIGHT TO RESCIND AND CANCEL ANY ESCROW BY DELIVERING A CERTIFIED NOTICE TO RESCIND TO SELLER (WITH A COPY TO ESCROW) AT THE ADDRESS SHOWN ON PAGE 1 OF THIS AGREEMENT, IN WHICH EVENT ALL OF BUYER'S DEPOSITS SHALL BE

  
\_\_\_\_\_  
(Buyer's Signature) 9-23-08  
\_\_\_\_\_  
(Date)

FOREGOING TERMS AND CONDITIONS  
ARE HEREBY ACCEPTED BY SELLER: \_\_\_\_\_  
(Authorized Representative's Signature) \_\_\_\_\_  
(Date)

PROJECT NAME    Provence LOT NO.    37

CONSENT OF ESCROW AGENT

The undersigned Escrow Agent hereby agrees (i) to accept this Agreement (including all Addenda incorporated herein), (ii) to act as Escrow Agent under this Agreement, and (iii) to be bound by this Agreement in the performance of its duties as Escrow Agent; provided, however, that the undersigned shall have no obligation, liability or responsibility under any supplement or amendment to this Agreement, unless and until the same shall be accepted in writing or prepared by the undersigned.

FIRST AMERICAN TITLE INSURANCE COMPANY

By: \_\_\_\_\_ (Date)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

# LENDER OF RECORD

## Addendum to Purchase Agreement

THIS ADDENDUM TO PURCHASE AGREEMENT (Addendum") is an addendum to that certain Real Estate Purchase Agreement, Joint Escrow Instructions and Receipt for Deposit between Seller and Buyer dated \_\_\_\_\_ ("Agreement"). Buyer and Seller hereby acknowledge and agree to the following terms and conditions in connection with Buyer's selection of the "Lender of Record" to provide or arrange financing for the purchase and sale of the residence identified in the Agreement as the "Property":

1. Credit Check: Buyer shall complete and submit to Seller and Preferred Lender the loan worksheet and authorization to run credit ("Credit Check") even if Buyer does not anticipate needing financing proceeds to close the escrow for the Property in accordance with the terms of the Agreement.
2. Preferred Lender: Buyer acknowledges prior receipt from Seller of the Affiliated Business Relationship Disclosure, which includes (without limitation) disclosure to Buyer of Seller's affiliation with Liberty West Mortgage ("Preferred Lender") and the reasons that Seller prefers Buyer select Preferred Lender to arrange financing on behalf of Buyer for the purchase of the Property.
3. Lender of Record: Buyer hereby selects the following company ("Lender of Record") to provide or arrange financing for the purchase and sale of the Property (*Select One*):

<input checked="" type="checkbox"/>	3.1 Preferred Lender:	Liberty West Mortgage	
	3.2 Lender Address:	6333 Greenwich Drive, Suite 100A, San Diego, CA 92122	
	3.3 Loan Officer:	_____	
	3.4 Phone Number:	858-552-2120	Fax Number: 858-552-2115
<input type="checkbox"/>	3.5 Other Lender:	_____	
	3.6 Lender Address:	_____	
	3.7 Loan Officer:	_____	
	3.8 Phone Number:	_____	Fax Number: _____

4. Lender Information: Buyer shall cause the Lender of Record to submit all of the following to Seller:
  - 4.1. Statement of Qualification/Experience of Lender.
  - 4.2. Certification of Lender's direct endorsement capability (if applicable).
  - 4.3. Prequalification letter.
  - 4.4. Copy of complete loan application.
5. Incentives for Preferred Lender: Provided that Buyer has selected Preferred Lender to be the Lender of Record, the following incentives shall be provided to Buyer:
  - 5.1. Buyer will be required to deposit \$ 35,000 which is only a portion of the normal \$ 50,000 deposit applicable towards the Purchase Price, provided that Buyer commits to Preferred Lender upon execution of the Agreement.
  - 5.2. Buyer will be required to deposit only one-half (50%) of the total cost for all options and upgrades selected by Buyer (other than flooring), provided that Buyer commits to using Preferred Lender prior to such deposit first becoming due and payable (e.g. Buyer's selection of options and upgrades that cost \$20,000 will be required to pay a deposit equal to \$10,000 rather than the normal deposit equal to 100% of the options and upgrade cost of \$20,000).
  - 5.3. Buyer will not be required to pay any flooring upgrade deposit, provided that Buyer commits to using Preferred Lender prior to selection of flooring upgrades rather than the normal deposit equal to 20%-100% of the flooring upgrade cost.
  - 5.4. \_\_\_\_\_
6. Change in Lender of Record: Buyer may change its designated Lender of Record at any time prior to Oct 3, 2008 which is the earliest Release Date for installation of countertops or flooring selection as designated in the Standard Option Cut-Off Dates schedule provided to Buyer upon execution of the Agreement. If Buyer designated Preferred Lender as the Lender of Record on a prior Addendum and is submitting this Addendum to request a change in the Lender of Record to any company other than Preferred Lender, then the following shall apply upon Seller's approval of such request as evidenced by execution of this Addendum by Seller:
  - 6.1. Buyer shall not receive the incentives referenced in Paragraph 5 that would have been available if Buyer selected the Preferred Lender as the Lender of Record.
  - 6.2. Buyer shall submit to escrow via cashier's check the difference between 100% of all normal earnest money deposits and the discounted deposits previously paid by Buyer while Preferred Lender was designated as the Lender of Record.
  - 6.3. BUYER SHALL PROVIDE TO SELLER WRITTEN FINAL UNCONDITIONAL LOAN APPROVAL PURSUANT TO SECTION 6(D) OF THE AGREEMENT.

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Buyer's Initials

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Buyer's Initials

7. Miscellaneous:
  - 7.1. BUYER IS ADVISED TO INFORM THE LENDER OF RECORD THAT LOAN DOCUMENTS NEED TO BE IN ESCROW AT LEAST ONE WEEK PRIOR TO THE SCHEDULED CLOSE OF ESCROW. BUYER IS REQUIRED TO SIGN ALL LOAN DOCUMENTS AT FIRST AMERICAN TITLE COMPANY.
  - 7.2. Buyer is aware that pursuant to the Agreement, Seller will charge Buyer \$500.00 per day if Buyer defaults in its obligation to timely close escrow in accordance with the 10 day Notice to Close provision referenced in the Agreement.
  - 7.3. Buyer acknowledges and agrees that First American Title Company and Seller will not provide information to third parties that are not a part of the escrow established pursuant to the Agreement ("Escrow"), including but not limited to any lender other than the Lender of Record. Upon the execution of this Addendum, Buyer authorizes Seller and First American to release information related to Buyer, including without limitation the terms and conditions of the Agreement, the Escrow, Buyer's financial condition and anticipated source(s) of funding the Purchase Price and closing costs.

ARBITRATION AND WARRANTY AMENDMENT

SELLER: Provence at RHR, L.P.

PROJECT: Provence at RHR

BUYER: Tajreshi + Irani - Tehrani

LOT/UNIT: 37

THIS ARBITRATION AND WARRANTY AMENDMENT ("Amendment") is an amendment to that certain Real Estate Purchase Agreement, Joint Escrow Instructions and Receipt for Deposit between Seller and Buyer dated 9-23, 2008 ("Agreement"). Buyer and Seller hereby agree to amend the Agreement as follows:

1. All references to "Fit and Finish Warranty" and to "Arbitration Addendum" are deleted and the words "2-10 Home Buyers Warranty Booklet" are substituted in the places thereof throughout the Agreement.
2. Paragraphs 10 and 11 of the Agreement are deleted in their entirety and the following are substituted in the places thereof:

10. ARBITRATION OF DISPUTES:

- (a) PRE-CLOSING DISPUTES: IF BUYER GIVES WRITTEN NOTICE TO ESCROW HOLDER IN COMPLIANCE WITH PARAGRAPH 9(b) ABOVE, THEN A DISBURSEMENT OF THE DEPOSIT TO SELLER AS LIQUIDATED DAMAGES SHALL BE MADE ONLY PURSUANT TO THE DETERMINATION BY A COURT OF LAW THAT BUYER HAS DEFAULTED UNDER THIS AGREEMENT; PROVIDED, HOWEVER, THAT BY INITIALING IN THE SPACE PROVIDED BELOW BUYER AND SELLER AGREE THAT SUCH CONTROVERSY REGARDING THE DISPOSITION OF THE FUNDS DEPOSITED INTO THE ESCROW BY BUYER, AND ANY OTHER DISPUTE BETWEEN BUYER AND SELLER OCCURRING PRIOR TO THE CLOSE OF ESCROW, SHALL BE SETTLED BY ARBITRATION CONDUCTED BY JUDICIAL ARBITRATION AND MEDIATION SERVICES ("JAMS") IN ACCORDANCE WITH THE JAMS RULES THEN IN EFFECT, SUBJECT TO THE FOLLOWING TERMS: (A) THE FEE TO INITIATE THE ARBITRATION SHALL BE BORNE BY SELLER; PROVIDED, HOWEVER, THAT THE COSTS OF THE ARBITRATION SHALL BE BORNE AS DETERMINED BY THE ARBITRATOR; (B) THE ARBITRATOR SHALL BE NEUTRAL AND IMPARTIAL AND SHALL BE APPOINTED WITHIN THIRTY (30) DAYS AFTER BUYER GIVES WRITTEN NOTICE TO ESCROW HOLDER IN COMPLIANCE WITH PARAGRAPH 9(b) ABOVE; (C) THE ARBITRATION SHALL BE CONDUCTED IN THE COUNTY WHERE THE PROPERTY IS LOCATED, UNLESS THE PARTIES AGREE TO ANOTHER LOCATION; AND (D) THE ARBITRATOR SHALL BE AUTHORIZED TO PROVIDE ALL RECOGNIZED REMEDIES AVAILABLE IN LAW OR EQUITY FOR ANY CAUSE OF ACTION THAT IS THE BASIS OF THE ARBITRATION. JUDGMENT UPON THE AWARD RENDERED BY THE ARBITRATOR(S) MAY BE ENTERED IN ANY COURT HAVING JURISDICTION THEREOF.
- (b) POST-CLOSING DISPUTES: IT IS HEREBY AGREED THAT ALL CLAIMS, DISPUTES, AND CONTRO-VERSIES BETWEEN BUYER AND SELLER ARISING FROM OR RELATED TO THE PROPERTY IDENTIFIED HEREIN, OR TO ANY DEFECT IN OR TO THE PROPERTY, OR THE SALE OF THE PROPERTY BY SELLER, INCLUDING BUT NOT LIMITED TO, ANY CLAIM FOR BREACH OF CONTRACT, NEGLIGENT, OR INTENTIONAL MISREPRESENTATION, SHALL BE SUBMITTED TO BINDING ARBITRATION BY AND PURSANT TO THE ARBITRATION PROVISION CONTAINED IN THE MOST RECENT EDITION OF THE 2-10 HOME BUYERS WARRANTY BOOKLET, AS OF THE DATE OF THE EXECUTION OF THIS AGREEMENT. THAT BOOKLET HAS BEEN MADE AVAILABLE TO BUYER, AND IS INCORPORATED HEREIN BY REFERENCE, AND MADE A PART OF THIS AGREEMENT.

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11. NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS SUCH RIGHTS ARE SPECIFICALLY INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION TO NEUTRAL ARBITRATION. (CODE OF CIVIL PROCEDURE SECTION 1298).

BUYER'S INITIALS 

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SELLER'S INITIALS 

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2. Paragraph 20 of the Agreement is deleted in its entirety and the following is substituted in the place thereof:

20. HOME BUYERS WARRANTY: SELLER IS HEREBY PROVIDING BUYER WITH THE WARRANTY CONTAINED IN THE MOST RECENT EDITION OF THE 2-10 HOME BUYERS WARRANTY BOOKLET, AS OF THE DATE OF THE EXECUTION OF THIS AGREEMENT, WHICH IS INTENDED TO ALSO SATISFY THE REQUIREMENTS OF THE "FIT AND FINISH" WARRANTY REQUIRED BY CALIFORNIA CIVIL CODE SECTION 900. THAT BOOKLET HAS BEEN MADE AVAILABLE TO BUYER, AND IS INCORPORATED BY REFERENCE, AND MADE A PART OF THIS AGREEMENT. THE WARRANTY CONTAINED IN THE HOME BUYERS WARRANTY BOOKLET IS THE SOLE WARRANTY PROVIDED TO BUYER. ANY OTHER WARRANTY OR WARRANTIES, WHETHER EXPRESS OR IMPLIED, ARE DISCLAIMED BY SELLER AND WAIVED BY BUYER, UNLESS AND TO THE EXTENT OTHERWISE PROVIDED BY CALIFORNIA LAW.

BUYER'S INITIALS 

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SELLER'S INITIALS 

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3. Contract in Effect. Except as expressly modified by this Amendment, all other terms and conditions of the Agreement are of full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

Buyer:

Seller:

  
\_\_\_\_\_  
(Signature)

PROVENCE AT RHR, L.P.  
a California limited partnership

  
\_\_\_\_\_  
(Signature)

By: Cornerstone Communities LLC,  
General Partner

By: \_\_\_\_\_  
Michael J. Sabourin, Manager

**OWNER OCCUPANCY ADDENDUM**

THIS OWNER OCCUPANCY ADDENDUM ("Addendum") is attached to and forms a part of the Real Estate Purchase Agreement, Joint Escrow Instructions, and Receipt for Deposit ("Agreement"), executed between Buyer and Seller for the Property described in the Agreement. Any capitalized terms not otherwise defined herein shall have the meanings set forth in the Agreement. If there is a conflict between the Agreement and the terms and provisions of this Addendum, the terms and provisions of this Addendum shall control.

**1. INVESTOR PREMIUM.** Seller desires to discourage speculation to ensure the availability of "owner occupied" financing for the Project, to create a stabilized community of owner-occupied homes and to provide as many people as possible with the opportunity for home ownership. Accordingly, Seller charges investor-buyers a premium of **\$50,000** ("Investor Premium"). Buyer agrees that the provisions and restrictions set forth in this Addendum do not constitute an unreasonable restraint upon alienation of the Property.

**2. USE AS PRINCIPAL RESIDENCE FOR ONE YEAR.** Buyer represents and warrants to Seller (a) that Buyer is purchasing the Property for use as Buyer's principal residence; (b) that Buyer will occupy the Property as Buyer's principal residence upon the Close of Escrow; and (c) that Buyer shall not attempt to transfer Buyer's rights under the Agreement nor enter into any agreement for the lease, sale or other transfer of the Property which would result in Buyer's failure to occupy the Property as Buyer's principal residence for a period of one year from the Close of Escrow ("**Occupancy Period**"). The provisions of this paragraph and the accuracy of the above representations and warranties constitute a condition to Seller's performance under the Agreement and a covenant of Buyer that shall survive the Close of Escrow.

**3. VIOLATION EXAMPLES.** The following illustrates some, but not all, activities that may constitute a violation of the Occupancy Period:

- A. Assigning the Agreement to another person prior to Close of Escrow.
- B. Advertising, listing or otherwise offering the Property for sale or rent to others at a time or in a manner which would result in failure or inability to reside in the Property for the full Occupancy Period.
- C. Entering an agreement to sell or rent the Property which would cause Buyer to move from the Property prior to the expiration of the Occupancy Period.
- D. Take any other action which indicates to Seller that Buyer does not have a bona fide intention of residing in the Property as Buyer's principal residence for the full Occupancy Period.

**4. TRANSFER PRIOR TO CLOSE OF ESCROW.** Except for "hardship" situations as described below, any attempt by Buyer to assign Buyer's rights under the Agreement and/or to lease, sell or otherwise transfer the Property prior to or concurrent with the Close of Escrow for the sale of the Property shall constitute a material breach of the Agreement, entitling Seller, at its sole election, to terminate the Agreement and retain Buyer's Deposit as liquidated damages pursuant to Section 9 of the Agreement.

**5. LIQUIDATED DAMAGES FOR TRANSFER SUBSEQUENT TO CLOSE OF ESCROW.** EXCEPT FOR "HARDSHIP" SITUATIONS DESCRIBED BELOW, ANY SALE, LEASE OR OTHER TRANSFER BY BUYER BY WHICH BUYER EITHER FAILS TO OCCUPY THE PROPERTY AS BUYER'S PRINCIPAL RESIDENCE FOR THE OCCUPANCY PERIOD OR TRANSFERS TITLE TO THE PROPERTY PRIOR TO THE EXPIRATION OF THE OCCUPANCY PERIOD, SHALL CONSTITUTE A MATERIAL BREACH OF THE AGREEMENT WHICH WILL CAUSE SELLER TO SUFFER DAMAGE IN A SUM IMPRACTICAL OR EXTREMELY DIFFICULT TO FIX. BUYER DESIRES TO LIMIT THE AMOUNT OF DAMAGES FOR WHICH BUYER MIGHT BE LIABLE SHOULD BUYER BREACH THIS AGREEMENT, AND SELLER DESIRES TO AVOID THE COSTS AND LENGTHY DELAYS WHICH MAY RESULT IF SELLER WERE REQUIRED TO FILE A LAWSUIT TO COLLECT ITS DAMAGES FOR A BREACH OF THIS AGREEMENT. ACCORDINGLY, SELLER AND BUYER AGREE THAT THE SUM OF **\$50,000**, WHICH AMOUNT IS EQUAL TO THE INVESTOR PREMIUM, IS PRESUMED TO BE THE DAMAGES SELLER WOULD SUFFER IN THE EVENT OF A BUYER BREACH OF THIS AGREEMENT.

6. **HARDSHIP.** The following events shall be deemed to constitute "hardship" situations under which Buyer may transfer, sell, assign, convey or lease (collectively, a "Transfer") its right, title and interest in the Property prior to either (a) Close of Escrow, or (b) occupying and holding title to the property for the Occupancy Period:

1. A transfer resulting from the death of Buyer.
2. A transfer by Buyer where the spouse of Buyer becomes the only co-owner of the Property with Buyer.
3. A transfer resulting from a decree of dissolution of marriage or legal separation or from a property settlement contract incident to such decree.
4. A transfer by Buyer into a revocable inter-vivos trust in which Buyer is a beneficiary.
5. A transfer, conveyance, pledge, assignment or other hypothecation of the Property to secure the performance of an obligation, which transfer, conveyance, pledge, assignment or hypothecation will be released or reconveyed upon the completion of such performance.
6. A transfer by Buyer where necessary to accommodate a mandatory job transfer required by Buyer's employer (not including Buyer, if Buyer is self-employed).
7. A transfer necessitated by a medical or financial emergency, proof of which emergency has been delivered to Seller, and has been approved by Seller in its reasonable discretion.
8. A transfer which, in the reasonable judgment of Seller, constitutes a "hardship" situation consistent with the intentions of this Addendum.

7. **OBLIGATION OF SELLER.** Seller makes no representation or warranty to Buyer that Seller will impose these requirements on other buyers and/or that, if Seller has imposed these requirements on another buyer, that Seller will enforce the requirements set forth in this Addendum against other owners at the Project. The failure of Seller to enforce any of its rights hereunder on any occasion shall not constitute a waiver of the right to enforce the same thereafter.

8. **SEVERABILITY.** The provisions of this Addendum shall be independent and severable, and a determination of invalidity or partial invalidity or enforceability of any one provision or portion hereof shall not affect the validity or enforceability of any other provision of this Addendum or the Agreement.

9. **SUBORDINATION.** Buyer hereby acknowledges and agrees that a violation of this Addendum by Buyer shall not defeat or render invalid the lien of any first mortgage or deed of trust made in good faith and for value by Buyer, and that the covenants and provisions of this Addendum shall be inferior and subordinate to the lien of any such first mortgage or deed of trust recorded concurrently with the deed conveying the Property to Buyer.

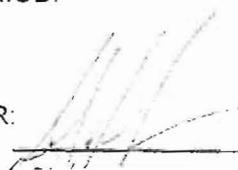
10. **ENTIRE AGREEMENT.** This Addendum contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to owner occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Addendum shall be effective unless set forth in writing and signed by Buyer and an authorized officer of Seller.

11. BUYER ACKNOWLEDGES AND UNDERSTANDS THAT, NOTWITHSTANDING THE ABOVE, SELLER DOES NOT GUARANTEE THAT THE PROJECT IN WHICH THE PROPERTY IS LOCATED WILL BE ENTIRELY OWNER OCCUPIED, AND SELLER PROVIDES NO GUARANTEE WITH RESPECT TO ENFORCEMENT OF ANY ADDENDUMS OR OCCUPANCY AGREEMENTS. BUYER IS NOT A THIRD PARTY BENEFICIARY TO ANY SUCH AGREEMENTS WITH OTHER HOMEOWNERS. BUYER ACKNOWLEDGES THAT THE PROJECT IN WHICH THE PROPERTY IS LOCATED MAY CONTAIN RENTAL UNITS, AND/OR THAT HOMES WITHIN THE PROJECT MAY BE LEASED, RENTED OR SOLD WITHIN THE OCCUPANCY PERIOD.

SELLER:

\_\_\_\_\_  
Authorized Representative      Date

BUYER:



9-23-08

# MOLD DISCLOSURE

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 spores in 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 your Residence. 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 40°F and 100°F. 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 I be concerned about mold in my 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.

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

1. Before bringing items into the Residence, check for signs of mold on the items. For example, potted plants (roots and soil), furnishings, or stored clothing and bedding material, as well as many other household goods, could already contain mold growth.
2. Regular vacuuming and cleaning will help reduce mold levels. Mild bleach solutions and most tile cleaners are effective in eliminating or preventing mold growth if used in accordance with the manufacturer's recommendations.
3. Keep the humidity in the Residence 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.
4. Promptly clean up spills, condensation and other sources of moisture. Thoroughly dry any wet surfaces or material. Do not let water pool or stand in your home. Promptly replace any materials that cannot be thoroughly dried, such as drywall or insulation.
5. Inspect for leaks on a regular basis. Look for discolorations or wet spots. Repair any leaks promptly. Inspect condensation pans (refrigerators and air conditioners) for mold growth. Take notice of musty odors, and any visible signs of mold.
6. Should mold develop, thoroughly clean the affected area with mold killing products. First, 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, call on the services of a qualified professional cleaner.
7. A copy of an information sheet prepared by the California Department of Health Services, dated July 2001 regarding mold is attached as Schedule "1" ("Mold Information Sheet"). Owner is advised to review carefully all the information set forth in the attached Mold Information Sheet. The Information Sheet was prepared in 2001. This Mold Information Sheet may be periodically updated by the California Department



## SCHEDULE "1"

### Mold Information Sheet

#### ABOUT MOLD

What are Molds? Molds are simple, microscopic organisms, present virtually everywhere, indoors and outdoors. Molds, along with mushrooms and yeasts, are fungi and are needed to break down dead material and recycle nutrients in the environment. For molds to grow and reproduce, they need only a food source - any organic material, such as leaves, wood, paper, or dirt - and moisture. Because molds grow by digesting the organic material, they gradually destroy whatever they grow on. Sometimes new molds grow on old mold colonies. Mold growth on surfaces can often be seen in the form of discoloration, frequently green, gray, brown, or black but also white and other colors. Molds release countless tiny, lightweight spores, which travel through the air.

How am I exposed to indoor molds? Everyone is exposed to some mold on a daily basis without evident harm. It is common to find mold spores in the air inside homes, and most of the airborne spores found indoors come from outdoor sources. Mold spores primarily cause health problems when they are present in large numbers and people inhale many of them. This occurs primarily when there is active mold growth within home, office or school where people live or work. People can also be exposed to mold by touching contaminated materials and by eating contaminated foods.

Can mold become a problem in my home? Molds will grow and multiply whenever conditions are right-sufficient moisture is available and organic material is present. Be on the lookout in your home for common sources of indoor moisture that may lead to mold problems:

- Flooding
- Leaky roofs
- Sprinkler spray hitting the house
- Plumbing leaks
- Overflow from sinks or sewers
- Damp basement or crawl space
- Steam from shower or cooking
- Humidifiers
- Wet clothes drying indoors or clothes dryers exhausting indoors
- Warping floors and discoloration of walls and ceilings can be indications of moisture problems.
- Condensation on windows or walls is also an important indication, but it can sometimes be caused by an indoor combustion problem!
- Have fuel-burning appliances routinely inspected by your local utility or a professional heating contractor.

Should I be concerned about mold in my home? Yes, if indoor mold contamination is extensive, it can cause very high and persistent airborne spore exposures. Persons exposed to high spore levels can become sensitized and develop allergies to the mold or other health problems. Mold growth can damage your furnishings, such as carpets, sofas and cabinets. Clothes and shoes in damp closets can become soiled. In time, unchecked mold growth can cause serious damage to the structural elements in your home.

#### HEALTH EFFECTS

What symptoms are commonly seen with mold exposure? Molds produce health effects through inflammation, allergy, or infection. Allergic reactions (often referred to as hay fever) are most common following mold exposure. Typical symptoms that mold-exposed persons report (alone or in combination) include:

- Respiratory problems, such as wheezing, difficulty breathing, and shortness of breath
- Nasal and sinus congestion
- Eye irritation (burning, watery, or reddened eyes)
- Dry, hacking cough
- Nose or throat irritation
- Skin rashes or irritation
- Headaches, memory problems, mood swings, nosebleeds, body aches and pains, and fevers are occasionally reported in mold cases, but their cause is not understood.

How much mold can make me sick? It depends. For some people, a relatively small number of mold spores can trigger an asthma attack or lead to other health problems. For other persons, symptoms may occur only when exposure levels are much higher. Nonetheless, indoor mold growth is unsanitary and undesirable. Basically, if you can see or smell mold inside your home, take steps to identify and eliminate the excess moisture and to cleanup and remove the mold.

Are some molds more hazardous than others? Allergic persons vary in their sensitivities to mold, both as to the

amount and the types to which they react. In addition to their allergic properties, certain types of molds, such as *Stachybotrys chartarum*, may produce compounds that have toxic properties, which are called mycotoxins. Mycotoxins are not always produced, and whether a mold produces mycotoxins while growing in a building depends on what the mold is growing on (conditions such as temperature, pH, humidity or other unknown factors). When mycotoxins are present, they occur in both living and dead mold spores and may be present in materials that have become contaminated with molds. While *Stachybotrys* is growing, a wet slime layer covers its spores, preventing them from becoming airborne. However, when the mold dies and dries up, air currents or physical handling can cause spores to become airborne. At present there is no environmental test to determine whether *Stachybotrys* growth found in buildings is producing toxins. There is also no blood or urine test that can establish if an individual has been exposed to *Stachybotrys chartarum* spores or its toxins.

**Who is at greater risk when exposed to mold?** Exposure to mold is not healthy for anyone inside buildings. Therefore, it is always best to identify and correct high moisture conditions quickly before mold grows and health problems develop. Some people may have more severe symptoms or become ill more rapidly than others:

- Individuals with existing respiratory conditions, such as allergies, chemical sensitivities, or asthma.
- Persons with weakened immune systems (such as people with HIV infection, cancer chemotherapy patients, and so forth)
- Infants and young children
- The elderly

Anyone with health problems they believe due to molds should consult a medical professional. Additional fact sheets on Mold and Health Effects are available from CDEHS:

- Health Effects of Toxin-Producing Molds in California
- *Stachybotrys chartarum* (atra) - a mold that may be found in water-damaged homes
- Fungi and Indoor Air Quality
- Misinterpretation of *Stachybotrys* Serology

These documents are available from the Environmental Health Investigation Branch, (510) 622-4500, or on the web at [www.dhs.ca.gov/chib/](http://www.dhs.ca.gov/chib/).

#### DETECTION OF MOLD

**How can I tell if I have mold in my house?** You may suspect that you have mold if you see discolored patches or cottony or speckled growth on walls or furniture or if you smell an earthy or musty odor. You also may suspect mold contamination if mold-allergic individuals experience some of the symptoms listed above when in the house. Evidence of past or ongoing water damage should also trigger more thorough inspection. You may find mold growth underneath water-damaged surfaces or behind walls, floors or ceilings.

**Should I test my home for mold?** The California Department of Health Services does not recommend testing as a first step to determine if you have a mold problem. Reliable air sampling for mold can be expensive and requires expertise and equipment that is not available to the general public. Owners of individual private homes and apartment generally will need to pay a contractor to carry out such sampling, because insurance companies and public health agencies seldom provide this service. Mold inspection and cleanup is usually considered a housekeeping task that is the responsibility of homeowner or landlord, as are roof and plumbing repairs, house cleaning, and yard maintenance. Another reason the health department does not recommend testing for mold contamination is that there are few available standards for judging what is an acceptable quantity of mold. In all locations, there is some level of airborne mold outdoors. If sampling is carried out in a home, an outdoor air sample also must be collected at the same time as the indoor samples, to provide a baseline measurement. Because individual susceptibility varies so greatly, sampling is at best a general guide. The simplest way to deal with a suspicion of mold contamination is: If you can see or smell mold, you likely have a problem and should take the steps outlined below. Mold growth is likely to recur unless the source of moisture that is allowing mold to grow is removed and the contaminated area is cleaned.

**GENERAL CLEAN-UP PROCEDURES.** The following is intended as an overview for homeowners or apartment dwellers. We recommend that you consult one of several more thorough documents currently available as guidance, listed in the USEFUL PUBLICATIONS section below. Elements of the Clean-up Procedures:

- Identify and eliminate sources of moisture
- Identify and assess the magnitude and area of mold contamination
- Clean and dry moldy areas - use containment of affected areas
- Bag and dispose of all material that may have moldy residues, such as rags, paper, leaves, and debris.

**Assessing the Size of a Mold Contamination Problem.** There will be a significant difference in the approach used for a small mold problem - total area affected is less than 10 sq. ft. - and a large contamination problem - more

than 100 sq. ft. In the case of a relatively small area, the clean-up can be handled by the homeowner or maintenance staff, using personal protective equipment (see below). However, for cases of much larger areas, it is advisable that an experienced, professional contractor be used. For in-between sized cases, the type of containment and personal protection equipment to be used will be a matter of judgment.

**Can cleaning up mold be hazardous to my health?** Yes. During the cleaning process, you may be exposed to mold, strong detergents, and disinfectants. Spore counts may be 10 to 1000 times higher than background levels when mold-contaminated materials are disturbed. Take steps to protect you and your family's health during cleanup:

- When handling or cleaning moldy materials, it is important to use a respirator to protect yourself from inhaling airborne spores. Respirators can be purchased from hardware stores; select one that is effective for particle removal (sometimes referred to as an N-95 particulate respirator). However, respirators that remove particles will not protect you from fumes (such as bleach). Minimize exposure when using bleach or other disinfectants by ensuring good ventilation of the area.
- Wear protective clothing that is easily cleaned or discarded.
- Use rubber gloves.
- Try cleaning a test area first. If you feel that this activity adversely affected your health, you should consider paying a licensed contractor or other experienced professional to carry out the work.
- Ask family members or bystanders to leave areas that are being cleaned.
- Work for short time periods and rest in a location with fresh air.
- Air out your house well during and after the work. Never use a gasoline engine indoors (e.g., water pump, pressure washer or generator), as you could expose your family to toxic carbon monoxide.

**Removal of Moldy Materials** Clean up should begin after the moisture source is fixed and excess water has been removed.

- Wear gloves when handling moldy materials.
- Discard porous materials (for example, ceiling tiles, sheetrock, carpeting, and wood products).
- Bag and discard moldy items; if properly enclosed, items can be disposed with household trash.
- Dry affected areas for 2 or 3 days.

Spores are more easily released when moldy materials dry out, hence it is advisable to remove moldy items as soon as possible. If there was flooding, sheet rock should be removed to a level above the high-water mark. Visually inspect the wall interior and remove any mold-contaminated materials.

**What can I save? What should I toss?** You should discard moldy items that are porous and from which it will be difficult to remove mold completely: paper, rags, wallboard, rotten wood, carpet, drapes, and upholstered furniture. Contaminated carpet is often difficult to thoroughly clean, especially when the backing and/or padding can become moldy. Solid materials - glass, plastic, and metal - can generally be kept after they are thoroughly cleaned. Clean-up -- when attempting to clean less porous items (i.e., solid items such as floors, cabinets, solid furniture), the first step is to remove as much mold as possible. A cleaning detergent is effective for this purpose.

- Wear gloves, mask and eye protection when doing this cleanup.
- Use non-ammonia soap or detergent, or a commercial cleaner, in hot water, and scrub the entire area that is affected by the mold.
- Use a stiff brush or cleaning pad on cement-block walls or other uneven surfaces.
- Rinse cleaned items with water and dry thoroughly. A wet/dry vacuum cleaner is helpful for removing water and cleaning items.

**Disinfection of Contaminated Materials.** Disinfecting agents can be toxic for humans, not just molds. They should be used only when necessary and should be handled with caution. Disinfectants are intended to be applied to thoroughly cleaned materials and are used to ensure that most microorganisms have been killed. Therefore, do not use disinfectants instead of, or before, cleaning materials with soap or detergent. Removal of mold growth from nonporous materials usually is sufficient.

- Wear gloves, mask and eye protection when using disinfectants
- After thoroughly cleaning and rinsing contaminated materials, a solution of 10% household bleach (for example, 1 1/2 cup household bleach per gallon of water) can be used as a disinfectant.
- Using bleach straight from the bottle is actually LESS effective than diluted bleach.
- Keep the disinfectant on the treated material for the time prescribed time before rinsing or drying, typically 10 minutes is recommended for a bleach solution.
- Bleach fumes can irritate the eyes, nose, and throat, and damage clothing and shoes. Make sure working areas are well ventilated.
- When disinfecting a large structure, make sure that the entire surface is wetted (for example, the floors, joists, and posts). Properly collect and dispose extra disinfectant and runoff.
- Never mix bleach with ammonia; toxic fumes may be produced.

Can air ducts become contaminated with mold? Yes. Air duct systems can become contaminated with mold. Duct systems may be constructed of bare sheet metal, sheet metal with fibrous glass insulation on the exterior, or sheet metal with an internal fibrous glass liner, or they may be made entirely of fibrous glass. Bare sheet metal systems and sheet metal with exterior fibrous glass insulation can be cleaned and disinfected. If water damaged, duct work made of sheet metal with an internal fibrous glass liner or made entirely of fibrous glass will often need to be removed and discarded. Duct work in difficult-to-reach locations may have to be abandoned. If you have other questions, contact an air duct cleaning professional or licensed contractor.

Can ozone air cleaners help remove indoor mold or reduce odors? Sometimes air cleaners are promoted to remove indoor mold or associated odors, and some of these are designed to produce ozone. Ozone is a strong oxidizing agent that is used as a disinfectant in water and sometimes to eliminate odors. However, ozone is a known lung irritant. Ozone generators have been shown to sometimes produce indoor levels above the safe limit. Furthermore, it has been shown that ozone is not effective in controlling molds and other microbial contamination, even at concentrations far above safe health levels. Also, ozone may damage materials in the home, for example, cause rubber items to become brittle. For these reasons, the California Department of Health Services strongly recommends that you NOT use an ozone air cleaner in any occupied space. Refer to the CDHS IAQ Info Sheet: Health Hazards of Ozone-generating Air Cleaning Devices (January 1998), available on the CDHS-IAQS web site.

How can I prevent indoor mold problems in my home? Inspect your home regularly for the indications and sources of indoor moisture and mold listed on Page 1. Take steps to eliminate sources of water as quickly as possible.

- If a leak or flooding occurs, it is essential to act quickly.
- Stop the source of leak or flooding.
- Remove excess water with mops or wet vacuum.
- Whenever possible, move wet items to a dry and well ventilated area or outside to expedite drying. Move rugs and pull up areas of wet carpet as soon as possible.
- Open closet and cabinet doors and move furniture away from walls to increase circulation.
- Run portable fans to increase air circulation. Do NOT use the home's central blower if flooding has occurred in it or in any of the ducts. Do NOT use fans if mold may have already started to grow — more than 48 hours since flooding.
- Run dehumidifiers and window air conditioners to lower humidity.
- Do NOT turn up the heat or use heaters in confined areas, as higher temperatures increase the rate of mold growth.
- If water has soaked inside the walls, it may be necessary to open wall cavities, remove baseboards, and/or pry open wall paneling.

#### USEFUL PUBLICATIONS

Links to the following documents can be found at [www.cal-iaq.org/MOLD/](http://www.cal-iaq.org/MOLD/). General Information Molds, Toxic Molds, and Indoor Air Quality.

Detailed overview for the legislature by the California Research Bureau. Mold in Workplace - CDHS-HESIS Infosheet. Useful overview with specific resources for workers.

Biological Pollutants in Your Home. Concise booklet by U.S. EPA and ALA aimed at affected homeowner.

Mold and Moisture. Appendix H in the U.S. EPA IAQ Tools for Schools Clean-up Guidance Repairing Your Flooded Home.

Excellent resource by the American Red Cross and FEMA, with details on technical and logistical issues. Guidelines on Assessment and Remediation of Fungi in Indoor Environments.

Widely referenced guidelines developed by the New York City Department of Health. Mold Remediation in Schools and Commercial Buildings.

Valuable, new guidance by U.S. EPA, also applicable to residences.

Consultants, Laboratories and Clinics CDHS Listing of Consultants Offering IAQ Services in California.

Self-reported database of contractors.

CDHS List of Laboratories for Bioaerosol (Mold) Testing. Identifies labs providing bioaerosol testing. Association of Occupational & Environmental Clinics. [www.aocc.org](http://www.aocc.org).

Additional Information: U.S. EPA IAQ INFO, 800-438-4318, 9 am to 5 pm, Eastern Time, [www.epa.gov/iaq/](http://www.epa.gov/iaq/)  
CDHS Indoor Air Quality Section, 2151 Berkeley Way (EHLB), Berkeley, CA 94704, Phone: 510-540-2476,  
[www.cal-iaq.org](http://www.cal-iaq.org)

FOR LOCAL ASSISTANCE: Contact your County or City Department of Health, Housing, or Environmental Health California Department of Health Services (CDHS) IAQ Info Sheet Gray Davis, Governor State of California  
Grandland Johnson, Secretary Health and Human Services Agency Diana M. Bontá, R.N., Dr. P.H., Director  
Department of Health Services



**NEW HOME PDR<sup>®</sup> PACKAGE RECEIPT**

**Report Number**  
05SD0983

**Date of Report**  
Thursday, March 17, 2005

**Escrow Number**  
LOT 37 PROVENCE

Property Address: TR 14922 (Chula Vista Tract No. 92-02A)  
LOT 37  
362 BRYAN POINT DRIVE, CHULA VISTA, CA 91914

APN Number:

The undersigned hereby acknowledge receipt of the following documents:

Property Disclosure Report  
(prepared by Property Disclosure Services, Inc.)

AND

Natural Hazard Disclosure Statement

**RECIPIENTS**

Buyer(s): [Signature]

Date: 9-23-08

Date: 9-23-08

Buyer's Agent: [Signature]

Date: 9-23-08

*This receipt is for the convenience of the seller and/or seller's agent involved in the transaction. The seller or their agent may want to have the buyer execute this form to be retained for their records.*

# NATURAL HAZARD DISCLOSURE STATEMENT

This statement applies to the following property:

Property Address: TR 14922 (Chula Vista Tract No. 92-02A)  
LOT 37  
362 BRYAN POINT DRIVE, CHULA VISTA, CA 91914

APN Number:

The transferor and his or her agent(s) disclose the following information with the knowledge that even though this is not a warranty, prospective transferees may rely on this information in deciding whether and on what terms to purchase the subject property. Transferor hereby authorizes any agent(s) representing any principal(s) in this action to provide a copy of this statement to any person or entity in connection with any actual or anticipated sale of the property.

The following are representations made by the transferor and his or her agent(s) based on their knowledge and maps drawn by the state and federal governments. This information is a disclosure and is not intended to be part of any contract between the transferee and the transferor.

**THIS REAL PROPERTY LIES WITHIN THE FOLLOWING HAZARDOUS AREA(S):**

**A SPECIAL FLOOD HAZARD AREA** (Any type Zone "A" or "V") designated by the Federal Emergency Management Agency.

Yes \_\_\_ No X Do not know and information not available from local jurisdiction \_\_\_

**AN AREA OF POTENTIAL FLOODING** shown on a dam failure inundation map pursuant to Section 8589.5 of the Government Code.

Yes \_\_\_ No X Do not know and information not available from local jurisdiction \_\_\_

**A VERY HIGH FIRE HAZARD SEVERITY ZONE** pursuant to Section 51178 or 51179 of the Government Code. The owner of this property is subject to the maintenance requirements of Section 51182 of the Government Code.

Yes \_\_\_ No X

**A WILDLAND AREA THAT MAY CONTAIN SUBSTANTIAL FOREST FIRE RISKS AND HAZARDS** pursuant to Section 4125 of the Public Resources Code. The owner of this property is subject to the maintenance requirements of Section 4291 of the Public Resources Code. Additionally, it is not the state's responsibility to provide fire protection services to any building or structure located within the wildlands unless the Department of Forestry and Fire Protection has entered into a cooperative agreement with a local agency for those purposes pursuant to Section 4142 of the Public Resources Code.

Yes \_\_\_ No X

**AN EARTHQUAKE FAULT ZONE** pursuant to Section 2622 of the Public Resources Code.

Yes \_\_\_ No X

**A SEISMIC HAZARD ZONE** pursuant to Section 2696 of the Public Resources Code.

Yes \_\_\_ (Landslide Zone) Yes \_\_\_ (Liquefaction Zone)

No \_\_\_ Maps not yet released by state X

**THESE HAZARDS MAY LIMIT YOUR ABILITY TO DEVELOP THE REAL PROPERTY, TO OBTAIN INSURANCE, OR TO RECEIVE ASSISTANCE AFTER A DISASTER. THE MAPS ON WHICH THESE DISCLOSURES ARE BASED ESTIMATE WHERE NATURAL HAZARDS EXIST. THEY ARE NOT DEFINITIVE INDICATORS OF WHETHER OR NOT A PROPERTY WILL BE AFFECTED BY A NATURAL DISASTER. TRANSFEREE(S) AND TRANSFEROR(S) MAY WISH TO OBTAIN PROFESSIONAL ADVICE REGARDING THOSE HAZARDS AND OTHER HAZARDS THAT MAY AFFECT THE PROPERTY.**

Signature of Transferor(s) Mgs Date MAR 17 2005

Signature of Transferor(s) \_\_\_\_\_ Date \_\_\_\_\_

Agent(s) [Signature] Date 9-23-08

Agent(s) [Signature] Date 9-23-08

Check only one of the following:

Transferor(s) and their agent(s) represent that the information herein is true and correct to the best of their knowledge as of the date signed by the transferor(s) and agent(s).

Transferor(s) and their agent(s) acknowledge that they have exercised good faith in the selection of a third-party report provider as required in Civil Code Section 1103.7, and that the representations made in this Natural Hazard Disclosure Statement are based upon information provided by the independent third-party disclosure provider as a substituted disclosure pursuant to Civil Code Section 1103.4. Neither transferor(s) nor their agent(s) (1) has independently verified the information contained in this statement and report (REPORT NUMBER 05SD0983 / CONTROL NUMBER 525428) or (2) is personally aware of any errors or inaccuracies in the information contained on the statement. This statement was prepared by the provider below:

Third-Party Disclosure Provider(s) Ali Azimi Date Thursday, March 17, 2005

Ali Azimi, Director of Operations, P.E., P.L.S.

Transferee represents that he or she has read and understands this document. Pursuant to Civil Code Section 1103.8, the representations made in this Natural Hazard Disclosure Statement do not constitute all of the transferor's or agent's disclosure obligations in this transaction.

Signature of Transferee(s) \_\_\_\_\_ Date 9-23-08

Signature of Transferee(s) \_\_\_\_\_ Date 9-23-08

Based on Public Record data as of the Report Date: Thursday, March 17, 2005

EscrowNo: LOT 37 PROVENCE

# AGENCY DISCLOSURE AND CONFIRMATION

**REAL ESTATE AGENCY DISCLOSURE.** When Buyer enters into a discussion with a real estate agent regarding a real estate transaction, it should, from the outset, understand what type of agency relationship or representation it wishes to have with the agent in the transaction.

## Seller's Agent

A Seller's agent under a listing agreement with the 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) A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Seller.

To the Buyer and Seller:

- (a) Diligent exercise of reasonable skill and care in 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 the 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 which does not involve the affirmative duties set forth above.

## Buyer's Agent

A selling 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) A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Buyer.

To the Buyer and Seller:

- (a) Diligent exercise of reasonable skill and care in 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 the 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 which 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 associate licensees, 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 the Seller and the Buyer:

- (a) A fiduciary duty of utmost care, integrity, honesty, and loyalty in the dealings with either Seller or Buyer;  
(b) Diligent exercise of reasonable skill and care in performance of the agent's duties;  
(c) A duty of honest and fair dealing and good faith; and  
(d) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

In representing both Seller and Buyer, the agent may not, without the express permission of the respective party, disclose to the other party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered.

The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect their own interests. Buyer should carefully read all agreements to assure that they adequately express Buyer's understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, contact a competent professional. Throughout the real property transaction Buyer may receive more than one disclosure form, depending on the number of agents assisting in the transaction. The law requires each agent with whom Buyer has more than a casual relationship to present Buyer with this disclosure form. Buyer should read its contents each time it is presented, considering the relationship between Buyer and the real estate agent in the specific transaction.

Included on Pages 2 and 3 hereof are the provisions of Article 2.5 (commencing with Section 2373) of Chapter 2 of Title 9 of Part 4 of Division 3 of the Civil Code. Please read it carefully.

**REAL ESTATE AGENCY CONFIRMATION.** The following agency relationship is hereby confirmed for this transaction:

SELLING AGENT: MARTHA FELIX is the agent of (mark one):  
(Print Name of Sales Representative)

- the Buyer exclusively; or  
 the Seller exclusively; or  
 both the Buyer and Seller.

THE UNDERSIGNED HEREBY ACKNOWLEDGE RECEIPT OF THE AGENCY DISCLOSURE SET FORTH ON PAGES 1

**Section 2373. Definitions.** As used in this Article, the following terms have the following meanings:

- (a) "Agent" means a person acting under provisions of this title 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 and Professions Code and under whose license a listing is executed or an offer to purchase is obtained.
- (b) "Associate licensee" means a person who is licensed as a real estate broker or salesperson under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code and who is either licensed under a broker or has entered into a written contract with a broker to act as the broker's agent in connection with acts requiring a real estate license and to function under the broker's supervision in the capacity of an associate licensee.  

The agent in the real property transaction bears responsibility for his or her associate licensees who perform as agents of the agent. When an associate licensee 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 association licensee functions.
- (c) "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.
- (d) "Dual agent" means an agent acting, either directly or through an associate licensee, as agent for both the Seller and the Buyer in a real property transaction.
- (e) "Listing agreement" means a contract between an owner for real property and an agent, by which the agent has been authorized to sell the real property or to find or obtain a Buyer.
- (f) "Listing agent" means a person who has obtained 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 selling agent which 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 which constitutes or is improved with one to four dwelling units, any leasehold in this type of property exceeding one year's duration, and mobile homes, 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 employed by one or more of the principals to act in that transaction, and includes a listing or an offer to purchase.
- (l) "Sell", "sale", or "sold" refers to a 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.
- (n) "Selling agent" means a listing agent who acts alone, or an agent who acts in cooperation with a listing agent, and who sells or finds and obtains a Buyer for the real property, or an agent who locates property for a Buyer or who finds a Buyer for a property for which no listing exists and presents an offer to purchase to the Seller.
- (o) "Subagent" means a person to whom an agent delegates agency powers as provided in Article 5 (commencing with Section 2349) of Chapter 1. However, "subagent" does not include an associate licensee who is acting under the supervision of an agent in a real property transaction.

**Section 2374. Disclosure Form: Provision to Seller and Buyer: Exceptions.** Listing agents and selling agents shall provide the Seller and Buyer in a real property transaction with a copy of the disclosure form specified in Section 2375, and, except as provided in subdivision (c), shall obtain a signed acknowledgment of receipt from that Seller or Buyer, except as provided in this section or Section 2374.5, as follows:

- (a) the listing agent, if any shall provide the disclosure form to the Seller prior to entering into the listing agreement;
- (b) the selling agent shall provide the disclosure form to the Seller with an offer to purchase, unless the selling agent previously provided the Seller with a copy of the disclosure form pursuant to Subdivision (a);
- (c) where the selling agent does not deal on a face-to-face basis with the Seller, the disclosure form prepared by the selling agent may be furnished to the Seller (and acknowledgment of receipt obtained for the selling agent from the Seller) by the listing agent, or the selling agent may deliver the disclosure form by certified mail addressed to the Seller at his or her last known address, in which case no signed acknowledgment or receipt is required; and
- (d) the selling agent shall provide the disclosure form to the Buyer as soon as practicable prior to execution of the Buyer's offer to purchase, except that if the offer to purchase is not prepared by the selling agent, the selling agent shall present the disclosure form to the Buyer not later than the next business day after the selling agent receives the offer to purchase from the Buyer.

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 listing agent prior to or 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:

Cornerstone Communities is the agent of (check one)  
(Name of Listing Agent)

- the Seller exclusively; or  
 both the Buyer and Seller.

ReMax Online is the agent of (check one)  
(Name of Selling Agent if not same as Listing Agent)

- the Buyer exclusively; or  
 the Seller exclusively; or  
 both the Buyer and Seller.

(d) The disclosures and confirmations required by this Section shall be in addition to the disclosure required by Section 2374.

**Section 2376. Listing Agents; Acting as Agent for Buyer Only Prohibited.** No selling agent in a real property transaction may act as an agent for the Buyer only, when the selling agent is also acting as the listing agent in the transaction.

**Section 2377. Payment of Compensation; Effect on Determination of Relationship.** 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 a particular relationship.

**Section 2378. Selecting Specific Form of Agency Relationship; Condition of Employment.** 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 Sections 2374 and 2375.5 are complied with.

**Section 2379. Dual Agents' Disclosures Prohibited.** A dual agent shall not disclose to the Buyer that the Seller is willing to sell the property at a price less than the listing price, without the express written consent of the Seller. A dual agent shall not disclose to the Seller that the Buyer is willing to pay a price greater than the offering price, without the express written consent of the Buyer.

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.

**Section 2380. Listing Agents; Acting as Selling Agents Allowed.** Nothing in this Article precludes a listing agent from also being a selling agent, and the combination of these functions in one agent does not, of itself, make that agent a dual agent.

**Section 2381. Modification or Alteration of Agency Contract.** 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.

**Section 2382. Duty of Disclosure and Fiduciary Duty; Effect of Article.** 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.

**FUNCTIONALITY STANDARDS ADDENDUM**

SELLER: Provence at RHR, L.P.

BUYER: Tafreshi & Irani-Tehrani

PHASE: 2

LOT: 27

THIS FUNCTIONALITY STANDARDS ADDENDUM ("Addendum") is incorporated into and made a part of the Real Estate Purchase Agreement, Joint Escrow Instructions and Receipt for Deposit entered into between Buyer and Seller dated 9-23, 2008 ("Agreement") for the purchase by Buyer and sale by Seller of the above referenced real property ("Property"). Any capitalized terms not otherwise defined herein shall have the meanings as set forth in the Agreement. If there is a conflict between the Agreement and the terms and provisions hereof, the terms and provisions of this Addendum shall control. Buyer and Seller hereby agree to the following:

- Residential Construction Legislation.** California Civil Code Section 895 et seq., as hereafter amended ("Statute"), is residential construction legislation establishing construction standards and providing mechanisms for resolution of claims. The following is a summary of some of the pertinent provisions of the Statute:
  - ❖ The Statute provides a series of standards describing how a home and its components should function ("Standards"). These Standards are divided into categories such as water intrusion, structural and soils-related issues, fire protection issues, plumbing and sewer, electrical and several other areas of construction.
  - ❖ The components must meet the Standards for periods which vary from one to ten years, as set forth in the Statute.
  - ❖ A builder may be excused from its obligations under the Statute if a buyer fails to properly maintain the home, fails to promptly notify the builder of damage, if damage to a component is caused by a third party or act of nature, or under certain other circumstances specified in Section 945.5 of the Statute.
  - ❖ If a claim arises under the Statute, a buyer must follow the "non-adversarial procedures" set forth in Sections 910 through 938 of the Statute. These procedures define certain actions that are required from both a buyer and the builder and the time frames for completing those actions.
- SB 800 Booklet.** A booklet containing a copy of the Statute ("SB 800 Booklet"), has been provided to you by Seller. YOU SHOULD READ THE STATUTE CAREFULLY AND SEEK LEGAL ADVICE IF YOU HAVE ANY QUESTIONS REGARDING ITS IMPACT ON THE PROPERTY YOU ARE PURCHASING. By initialing below Buyer acknowledges that he or she has received and initialed a copy of the SB 800 Booklet from Seller.

BUYER'S INITIALS AIT AT

SELLER'S INITIALS

- 2-10 Home Buyers Warranty.** In connection with your purchase of the Property, Seller will provide you with a 2-10 Home Buyers Warranty Booklet, which provides an express limited warranty over certain periods from the close of escrow for certain components and systems in the Property, subject to certain exclusions such as the failure to properly maintain the components and damage caused by third parties, among other exclusions. The 2-10 Home Buyers Warranty is intended to also satisfy the requirements of the "Fit and Finish" warranty required by California Civil Code Section 900. YOU SHOULD READ THE 2-10 HOME BUYERS WARRANTY BOOKLET CAREFULLY AND SEEK LEGAL ADVICE IF YOU HAVE ANY QUESTIONS REGARDING ITS IMPACT ON THE PROPERTY YOU ARE PURCHASING. Claims for repairs under the 2-10 Home Buyers Warranty are not subject to the non-adversarial procedures in the Statute. Such claims should be made to the customer service representative in accordance with the procedures and on the claim form contained in the 2-10 Home Buyers Warranty Booklet.
- DISCLAIMER OF IMPLIED WARRANTIES.** EXCEPT FOR THE 2-10 HOME BUYERS WARRANTY, SELLER DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, THAT THE HOME WAS DESIGNED AND CONSTRUCTED IN A REASONABLY WORKMANLIKE MANNER, FITNESS FOR A PARTICULAR PURPOSE, AND MERCHANTABILITY.

BUYER'S INITIALS AIT AT

SELLER'S INITIALS

- Notice of Claims.** The Statute sets forth requirements and procedures for claims under the Statute regarding the Property in Sections 910 through 938. If Buyer or any successor to Buyer's interest ("Claimant") claims that the construction of the residence on the Property violates any or all of the Standards, Claimant shall provide notice to Seller's Agent at the address listed below.

Seller's Agent for Notice:	Cornerstone Communities LLC Attn: Customer Service Department 4365 Executive Drive, Suite 600 San Diego, CA 92121 Fax No.: (858) 410-0260
----------------------------	---

This contact information is subject to change. The name and address of Seller's Agent under Civil Code Section 912(e) is also available at the office of the California Secretary of State. To ensure that your notice is delivered to Seller at its correct address, Buyer is advised to confirm the current name and address of Seller's agent with the Secretary of State before delivering notice. This information can be provided by written request to:

California Secretary of State  
 Special Filings  
 P.O. Box 944225  
 Sacramento, CA 94244-2250  
 (or by telephone at (916) 653-3984)

By initialing below, Buyer acknowledges and agrees that Seller has provided Buyer with the name and address of the contact person for notice of any claimed violations of the Standards

7. **Receipt of Purchase Documents.** Buyer acknowledges that it has received or may in the future receive certain documents in conjunction with Buyer's purchase of the Property, including, but not limited to, those referenced in the Agreement (collectively, the "Documents"). Buyer shall maintain a full and complete copy of the Documents. Buyer agrees to provide any subsequent buyer a complete copy of the Documents as required by the Statute, including, but not limited to, a copy of the Maintenance Manual or other maintenance or preventative maintenance information provided or to be provided to the original homeowner, all manufactured products' maintenance, preventative maintenance and limited warranty information and the 2-10 Home Buyers Warranty Booklet provided to the original homeowner. Buyer should instruct subsequent buyers to provide to their subsequent buyers a complete copy of the Documents.
8. **Affiliated General Contractor.** Seller is using an affiliated general contractor; as described in Section 911 of the Statute ("General Contractor") to construct the Project. All deliveries, notices and elections set forth in Sections 2, 3 and 4 above are hereby deemed to apply to, and be made by General Contractor as well as Seller. All notices provided to the General Contractor shall be delivered to the address set forth in Section 3 above.

BY SIGNING THIS ADDENDUM, BUYER AGREES TO BE BOUND BY ITS PROVISIONS.

  
\_\_\_\_\_  
BUYER'S SIGNATURE

9-23-08  
\_\_\_\_\_  
DATE

  
\_\_\_\_\_  
BUYER'S SIGNATURE

9-23-08  
\_\_\_\_\_  
DATE

ACCEPTED BY SELLER:

\_\_\_\_\_  
SELLER'S AUTHORIZED REPRESENTATIVE

\_\_\_\_\_  
DATE

# AFFILIATED BUSINESS ARRANGEMENT DISCLOSURE

888 44

To: Amir Tajreshi  
Ali Isani-Tehrani  
(Borrowers)

Property: 363 BRIAN POINT DR.  
CHULA VISTA, CA 91914

From: Cornerstone Communities  
(Referring Party)

Date: 9-23-08

This is to give notice that Cornerstone Communities has a business relationship with The Cove Equity Group, LLC. The nature of this relationship is that The Cove Equity Group, LLC is a 60% owner of Liberty West Mortgage, LP. Because these entities are related through ownership, the referring party may receive a financial or other benefit as a result.

You are NOT required to use Liberty West Mortgage, LP as a condition for the settlement of your loan on the subject property. THERE ARE FREQUENTLY OTHER SETTLEMENT SERVICE PROVIDERS AVAILABLE WITH SIMILAR SERVICES. YOU ARE FREE TO SHOP AROUND TO DETERMINE THAT YOU ARE RECEIVING THE BEST SERVICES AND THE BEST RATE FOR THOSE SERVICES.

Liberty West Mortgage, LP is a mortgage lender. Various estimated lender fees are listed below. All of these fees can vary and could include additional charges depending upon factors such as the loan product you select and the State where the property is located. There may also be other fees/charges relating to services provided by additional third party settlement providers. The estimated charges for the settlement services provided by Liberty West Mortgage, LP are detailed on the Good Faith Estimate being provided to you by your loan officer.

<u>Settlement Service</u>	<u>Range of Charges</u>
Origination Fee	1% of the loan amount
Discount Points	0% to 3% of the loan amount
Loan Processing Fee	\$375
Underwriting Fee	\$175
Doc Processing Fee	\$250

### ACKNOWLEDGEMENT

I/we have read this disclosure form and understand that the referring party as described above is referring me/us to purchase settlement services as described above and the referring party may receive a financial or other benefit as the result of this referral.

X [Signature]  
Signature

X [Signature]  
Signature

This Purchase Money Transaction or Refinance Transaction was not referred to Liberty West Mortgage, LP by any employee, sales agent, officer or director of Cornerstone Communities. No signature required.

\* This form must be completed, signed by the applicant (if applicable) and presented at time of loan application with Liberty West Mortgage, LP. Please retain in loan credit package.

PRICING INFORMATION		PAYMENT INFORMATION	
		PO	\$ 11,766.00
Total	\$ 11,766.00		

Homebuyer Signature

9-23-08

Date

*[Handwritten Signature]*

9-23-08

Date

*[Handwritten Signature]*

Homebuyer Signature

Sales Approval

Create New Trench Interiors  
 UPSCALE CONTRACTOR / BUILDER

PROJECT: Providence PLAN: 7 ROOM: Kitchen NAME: 2 LOT: 37  
 HOMEOWNER: Cornerstone

Material Detail: Decor:

DECK: Venthan Gold Slab

BACKSLASH:  8" Backslash Backsplash  4" Backslash w/ 1/2" (3/8" subplash)  Countertop Only  Full w/ 1/2" subplash  
 V. CAP  CORNER  SLAB  BUILT-UP SURFACE BUILT-UP  NO.

EDGE DETAILS:  BEVEL  ROLL-UP  NO.

WALLS:  Paint  To Ceiling  T AFF  Stair  Diagonal  Stair (H)

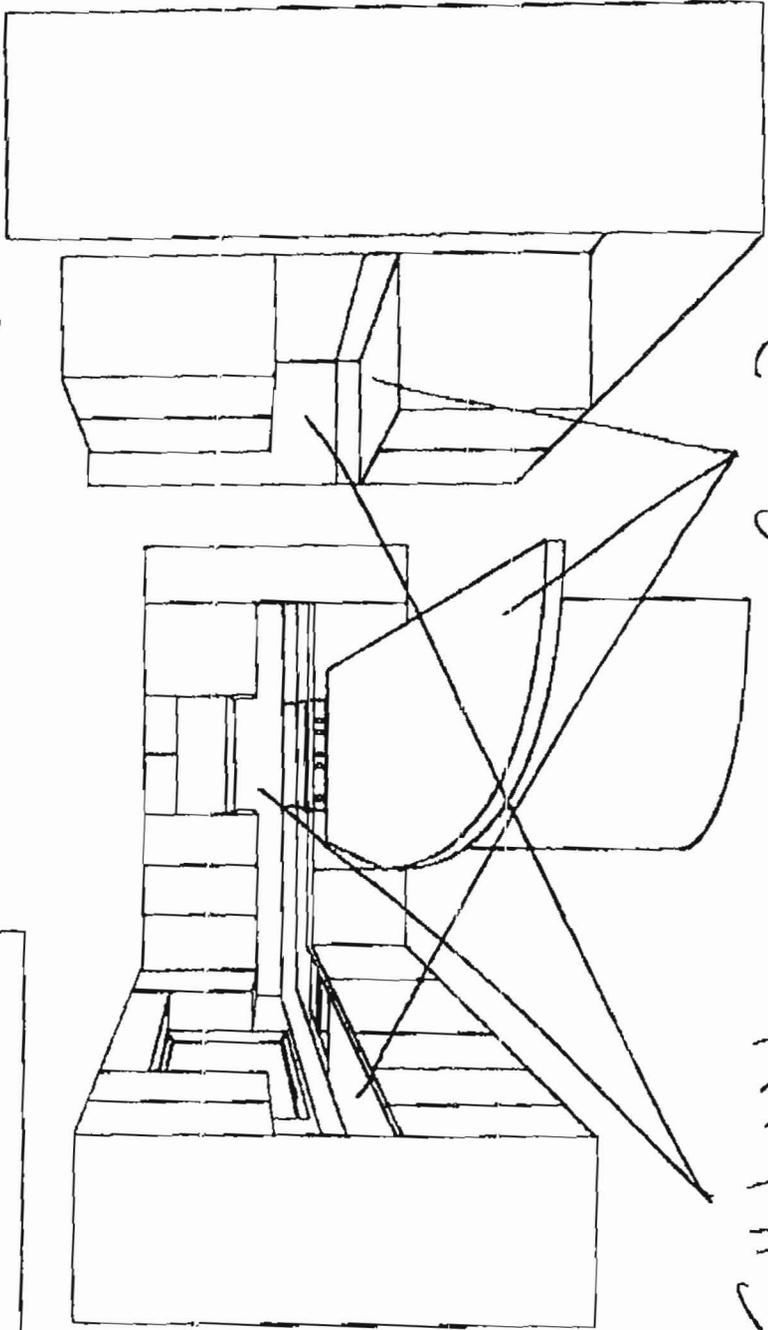
TUB DECK:  Full (H)  1/2 (H)  3/4 (H)  Diagonal  Stair (H)

PAINT:  Semi-Gloss  Gloss  Flat

COGIT COLOR: See at stairs

Lines / Material / Color / Rail / Post / Finish / Frame / Material / Color / Rail / Post / Finish / Frame

A.  
 B.  
 C.



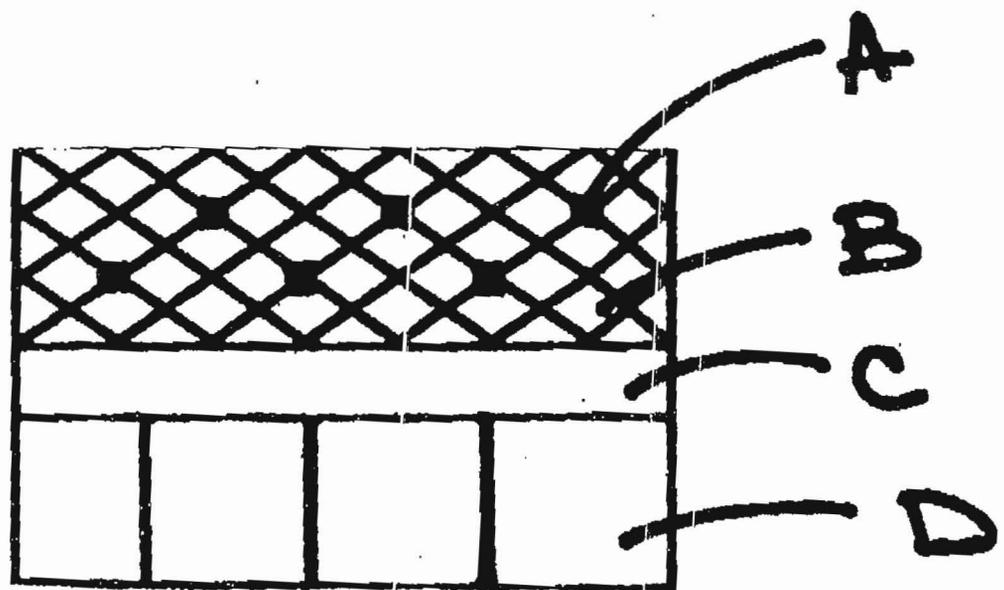
Full height  
 all stone backsplash

Group 2  
 Venthan Cold Slab w/ Edge ed

AJT AT

Kitchen  
and Butlers  
Splash

Provence 37 PL 2



- A** - H 936 Gp 5 12" x 12" Mesh cut to 2" x 2" dots  
1 every 4 - staggered.
- B** - H 937 Gp 3 4" x 4" Diagonal.
- C** - H 2722 Gp 5 2" x 12" Chair Rail, straight.
- D** - H 938 Gp 4 6x6, 1 row straight set.

A-T AT

**CALIFORNIA CIVIL CODE**  
Sections 895 Through 945.5

BUYER AND SELLER HEREBY ACKNOWLEDGE THAT THIS WRITTEN COPY OF THE ABOVE TITLE OF THE CIVIL CODE WAS PROVIDED TO BUYER PURSUANT TO CALIFORNIA CIVIL CODE SECTION 912(G).

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# COPY

## CALIFORNIA CIVIL CODE

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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 such.

(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 subdivision (a) of Section 1351, "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 subdivision (a) of Section 1351.

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, 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) Shower and bath enclosures shall not leak water into the interior of walls, flooring systems, or the interior of other components.

(18) Ceramic tile and tile countertops shall not allow water into the interior of walls, flooring systems, or other components so as to cause damage.

(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, if any, 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.

(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 interunit 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.

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 nonoriginal 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 nonoriginal 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 nonoriginal 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.

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, videotaped, 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, videotaped, 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 postclaim 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 1375 of the Civil Code, but an action is subsequently commenced under Section 1375 of the Civil Code, the parties are excused from performing the substantially similar requirements under Section 1375 of the Civil Code.

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.

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 Section 383 of the Code of Civil Procedure 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.

SEC. 11. It is the intent of the Legislature that the Department of Insurance conduct a study in consultation with the representatives of the labor, insurance, and building industries, to determine whether lower rates are justified for comprehensive general liability insurance policies with respect to construction defect claims arising out of projects built with apprentices enrolled in an apprenticeship program approved by the California Apprenticeship Council.

## SB800 Talking Points

### I. Background:

- A. *What:* SB800 is a California statute that affects new residential construction units.
- B. *Why:* This law was enacted because the legislature determined that specific legal guidelines were necessary to protect both homebuyers and homebuilders. The goal is for buyers and builders to be able to work together to repair construction deficiencies in a cost effective manner without having to go to court.
- C. *When:* This statute became effective on January 1, 2003. It is important to read and understand the statute because *it affects your legal rights.*

### II. Application:

- A. SB800 specifically defines construction standards for certain aspects of your home. If a problem arises, you can go straight to the statute and determine if that problem is covered.
- B. Examples of a few basic protections covered by the statute include:
  - Leaks in windows, doors, and roofs
  - Cracks in your foundation or walls that would cause your house to become structurally unsafe
  - Compliance with applicable fire codes
  - Excessive cracking in the driveway or sidewalk outside your home
- C. The statute also protects certain “fit and finish” items, like your interior and exterior walls, flooring, cabinets and mirrors. The Fit and Finish warranty provided by Cornerstone Communities provides this protection. You should read this warranty carefully for details about what protections are provided and what exceptions apply.

### III. Length of Coverage:

- A. The protection lasts up to ten years for certain structural items, but the time limit varies considerably depending on the issue. Some things, like the fit and finish items, are only covered for one year from the close of escrow.

### IV. Obligations of Homeowners:

- A. The statute imposes certain obligations on homeowners.
- B. For example, you are responsible for basic maintenance items around your home. Cornerstone Communities has provided for you a written description of some of these maintenance obligations, but you are also expected to follow commonly accepted maintenance practices. If a problem arises in your home that would have been prevented had you maintained the area properly, Cornerstone Communities may not be obligated to fix it.

### V. What to do if there is a Problem:

- A. If a problem arises with your home that is covered by the statute, there are certain steps that you have to follow if you want the builder to fix it.

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- B. This includes things like providing written notice to the builder, allowing for an inspection within a certain number of days, reviewing a repair proposal, etc. Each of these steps, and their respective time limits, are discussed in detail in the statute.

VI. Talk to a Lawyer:

- A. You should read the statute carefully before you purchase your new home.
- B. If you have questions, you should consult with a lawyer who is knowledgeable about the statute.
- C. There are a lot of issues covered in great detail in this new law, and you need to make sure you understand all of your rights and obligations.

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**DISCLOSURE STATEMENT  
PROVENCE AT ROLLING HILLS RANCH**

SELLER: PROVENCE AT RHR, L.P., a California limited partnership

PHASE: 2

BUYER: \_\_\_\_\_

LOT: 37

DISCLOSURE STATEMENT FOR PROVENCE AT ROLLING HILLS RANCH ("Disclosure Statement") is provided to Buyer in connection with the Real Estate Purchase Agreement Joint Escrow Instructions and Receipt for Deposit entered into between Buyer and Seller dated \_\_\_\_\_, 20\_\_\_\_ ("Agreement") for the purchase by Buyer and sale by Seller of the above referenced real property ("Property"). All capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Agreement.

This Disclosure Statement is not intended to be a complete disclosure nor is it intended to supersede the information disclosed in the Final Subdivision Public Report for Provence at Rolling Hills Ranch ("Public Report"), the Master Declaration of Restrictions for Rolling Hills Ranch II, and additional recorded documents which affect the Provence at Rolling Hills Ranch development ("Project" or "Provence") and the Property, which Buyer acknowledges has been received and reviewed. Seller emphasizes that these documents should be reviewed and understood by all new and future homeowners at the Project. Seller has utilized reasonable efforts to present current information in this Disclosure Statement; however, Seller does not represent or warrant the accuracy or completeness of this information. Moreover, Seller has no control over many of the matters covered in this Disclosure Statement as they fall within the jurisdiction of various public agencies or result from actions of prior and/or adjoining landowners. Much of the information presented in this Disclosure Statement is subject to change. Questions concerning the contiguous area should be directed to the relevant public agency or organization referenced in this Disclosure Statement. The Disclosure Statement does not relieve Buyer's obligation to inspect the property diligently and satisfy him/herself concerning its condition and its fitness for his/her intended use. Seller encourages the Buyer to seek his/her own legal counsel for clarification and interpretation of all sales and disclosure documentation.

1. **Provence at Rolling Hills Ranch.** The residence which you are purchasing is situated within the master planned community commonly known as Rolling Hills Ranch II ("Community" or "Rolling Hills Ranch II"), which is being developed by McMillin Rolling Hills Ranch, LLC ("Master Developer"). If developed as proposed, Rolling Hills Ranch II may include approximately 431 residences. Provence is situated within the master Rolling Hills Ranch II. The Project is currently approved for a total of 48 residences. No representation or guarantee is made as to whether or when any particular improvements will be completed or retained, or if the overall community will be completed as planned.

Provence is located within Neighborhood 12 of Rolling Hills Ranch II. In addition to Provence, Neighborhood 12 also contains 48 residences being built by another developer unrelated to the Seller. Seller did not develop, market, or sell any homes within Neighborhood 12 or Rolling Hills Ranch II other than Provence, and therefore has no control over any other homes in the Community.

2. **Rolling Hills Ranch II Master Association.** The Rolling Hills Ranch II Master Association, of which Buyer becomes a member at time of purchase, performs its duties in accordance with the Master Declaration of Restrictions for Rolling Hills Ranch II (the "Master Declaration"), Articles of Incorporation and Bylaws for Rolling Hills Ranch II. Budget and assessment information for maintenance and operation is applicable to several phases of development. **A current assessment of \$75.00 will be collected through escrow to cover the builder/buyer transfer fee as well as an additional \$35.00 for the cost of programming the electronic entry device given to each homeowner in Provence for the Recreation Facility.** Budget copies of the Rolling Hills Ranch II Master Association are available for Buyer's review in the sales office, and an Association Level Assessments Chart has been given to Buyer with this Disclosure Statement. Buyers will receive assessment bills from the property management company, but are obligated to pay assessments even if bills are not timely presented.

The Rolling Hills Ranch II Master Association may increase or decrease assessments at any time in accordance with the procedures prescribed by the Department of Real Estate Guidelines and in the Master Declaration or Bylaws.

3. **Cost Center.** Provence is located within the Neighborhood 12 Cost Center ("Cost Center"). The amenities included in the Neighborhood 12 Cost Center include private street improvements, storm sewers, lighting, sidewalks, motorized vehicle entry gates, pedestrian gates, entry monuments, and

and/or County regarding proposed land uses. For further information Buyers may contact the City of Chula Vista Planning Department at (619) 691-5101.

Present plans to develop the Community are described on the site development map(s) which is/are available at the sales office. The map(s) should be reviewed to determine how the Property might be affected by the future development indicated on the map(s). Future development and uses not shown on the map(s) may occur and development and uses shown on the map(s) may be changed, including without limitation the reduction, relocation or modification of proposed open space areas. Seller has made no written or oral representation or warranty that the map(s) is/are complete or correct, will be carried out or will not change in the future. Seller has not made any written or oral representation or warranty concerning the impact on the Property of any future development or uses (including, without limitation, noise, dust, vibrations and traffic impacts).

Land uses in close proximity to Rolling Hills Ranch II are as follows:

- a. The area surrounding the Community includes senior apartments, residential, commercial and retail development as well as public and private facilities servicing such areas, farming and grazing operations, and open space. Buyer acknowledges that such surrounding areas may be subject to further development in the future. However, completion of private and public facilities and improvements cannot be guaranteed.
- b. Bella Lago is a planned residential community in the vicinity of Provence with an approved tentative map for 144 single family units. Access to this community will be through Rolling Hills Ranch II from Ranch Estates Place and Ranch Lakes Way. For further information, contact the City of Chula Vista Planning Department at (619) 691-5272.
- c. Salt Creek Golf Club (formerly the Auld Golf Course) is located in the vicinity of the Community. Please contact the golf course at (619) 482-4666 for more information.
- d. Otay Lakes Reservoir – The Upper and Lower Otay Lake Reservoirs are owned and operated by the City of San Diego, collect run-off waters, and are possibly used for potable water. Please contact the City of San Diego Water Department at (619) 668-3233 for more information.
- e. Certain facilities are situated in the vicinity of the Community containing reclaimed water ponds. Such property is currently owned by the Otay Water District and not part of the Otay Lakes Reservoir. In addition, in the vicinity of the Community is a site being planned for a future water storage reservoir by the Otay Water District. Please contact the Otay Water District directly at (619) 670-2777 for further information.
- f. At the current time, Brown Field, which is in the vicinity of the Community in an area known as Otay Mesa, is being used to service various types of commercial and cargo flights. Brown Field has been considered for expansion by regional and local agencies. There have also been ongoing discussions regarding the possible development of a multi-national airport in the Otay Mesa area. However, no definitive decisions have been made at this time regarding such issues. Please contact Tracy Means, City of San Diego, at (619) 236-6144 to obtain further information regarding the Otay Mesa/Brown Field.
- g. **Fire Station**. There are currently 2 fire stations near the Community. Fire Station 6 is located at 605 Mt. Miguel Road, Chula Vista, CA 91914. Fire Station 8 is located at 1180 Woods Drive, Chula Vista, CA 91914. These Fire Stations serve the communities of Eastlake, Rolling Hills Ranch, and San Miguel Ranch. Chula Vista Fire Department phone number is (619) 691-5055. Seller makes no representation regarding the current or continued availability of any fire station or emergency assistance to residents of the Community.
- h. **State Route 125**. SR-125 is located in close proximity to the Community. Also known as the South Bay Expressway, State Route 125 is now open to the public. The 10-mile Expressway is a toll road. Beginning at SR-905, it connects to SR-54 and all major Southern California Freeways. On- and off-ramps are located on Mt. Miguel Road, H Street, Otay Lakes Road, and others. For more information you may contact South Bay Expressway at (619) 661-7070 or customerservice@southbayexpressway.com, or visit their website at [www.southbayexpressway.com](http://www.southbayexpressway.com), or visit their offices at 1129 La Media

Center, Buyer should contact the City of Chula Vista Community Development Department at (619) 691-5101.

- j. **Shopping Facilities.** The following are several neighborhood shopping centers currently located close to the Community. Although the shopping facilities are currently operational, the facilities operating and the hours of operation are subject to change.

The Shops at San Miguel Ranch is located at the corner of Proctor Valley Road and Mt. Miguel Road. The center contains an Albertson's grocery store, a drug store, and a variety of other stores and shops which may include, but are not limited to, gas stations, fast-food restaurants with drive-throughs, banks with drive-throughs, or other commercial uses. These may generate automobile noise and traffic, speaker-box noise, security lighting and parking lot lighting, periodic security bells and/or alarms and other noises associated with the daily activities of a commercial site.

Otay Ranch Town Center, a major shopping mall and entertainment center located at the corner of Birch Road and Eastlake Parkway is now open. The shopping center contains a variety of shops and restaurants, including Macy's Department Store, REI sporting good store, Barnes and Noble bookstore, many other shops and restaurants, and an AMC Theatre. These may generate automobile noise and traffic, speaker-box noise, security lighting and parking lot lighting, periodic security bells and/or alarms and other noises associated with the daily activities of a commercial site. For more information, you may contact Otay Ranch Town Center at 619-656-9100, or visit their website at [www.otayranchcenter.com](http://www.otayranchcenter.com) for a complete directory of stores, offices at or alarms and other noises associated with the daily activities of a commercial site.

East H Street/Otay Lakes Road, located in the vicinity of the Community, is a center anchored by a Ralphs Grocery Store and a Rite-Aid Drug Store, as well as a bank and several service-oriented businesses.

EastLake Village Center, a three-phase retail center, has been developed on both the north and south sides of Otay Lakes Road at EastLake Parkway. The Center contains a Vons Grocery Store, Rite-Aid Drug Store, Target Store, Lowe's Home-Improvement Store, Henry's Marketplace, Trader Joe's, neighborhood retail shops, several restaurants, specialty shops and other service-oriented businesses. For more information please contact The EastLake Company at (619) 421-0127.

Chula Vista Center, located on H Street between Fourth and Fifth Avenues, is a regional shopping mall containing J.C. Penney, Sears, Macy's, Mervyn's, a theater complex, and several smaller retail and restaurant shops. Further information can be obtained by contacting the Chula Vista Center at (619) 427-7700.

Plaza Bonita Shopping Center, located at Plaza Bonita Road and Sweetwater Road, is a regional mall featuring several major retailers, including J.C. Penney, Macy's Department Store, and Mervyn's. There are also several smaller retail and restaurant shops. Further information can be obtained by contacting the Plaza Bonita Shopping Center at (619) 267-2850.

- k. **MacKenzie Creek Park.** MacKenzie Creek Park is located in the vicinity of the Community. The 7-acre park contains two (2) basketball courts, two (2) tennis courts, play equipment, picnic areas and barbecue grills. The park is owned, operated and maintained by the City of Chula Vista. Although this facility was operational as of the date of this Disclosure, the types of facilities offered and the hours of operation are subject to change. For further information on public community services and recreation, please contact the City Parks and Recreation Department at (619) 691-5071.

- l. **Monteville Community Park.** Monteville Community Park is located in the vicinity of the Community on the corner of Proctor Valley Road and Duncan Ranch Road. The 29-acre park contains a variety of amenities including three multipurpose fields, a softball field, basketball and tennis courts, a skate area, off-leash dog park, playground areas, walking trails, and numerous picnic shelters and picnic areas. The park also contains a 21,144 square foot community center facility that houses a gymnasium, various multi-purpose rooms, restrooms, craft rooms, game room, an adult annex, and office support space. The park is owned, operated and maintained by the City of Chula Vista. Although

further information with regard to the use of these storage facilities, please contact the Otay Water District at (619) 630-2222.

- n. **Water Tank/Pump Station.** Two water tanks and one pump station are currently proposed by the Otay Water District and may be located in the vicinity of the Community. Seller will have no control over the location of these water tanks and pump station, including the size, color and design of such facilities or landscaping surrounding them. The proposed pump station will serve the Otay Water District's 1100 pressure zone, which does include Provence. The Otay Water District water rates for homes serviced are set by the various pressure zones. Please contact the Otay Water District at (619) 630-2222 for further information.
- o. **Sewer Lift Station.** The sewer systems for the Neighborhoods that belong to the Rolling Hills Ranch II Master Association and for Bella Lago flow to the Proctor Valley Sewage Pump Station. The sewage pump station is located at 800 Agua Vista Drive, at the northwest corner of Agua Vista Drive and Proctor Valley Road. This site is identified as Lot 'B' of Map No. 14756, City of Chula Vista, County of San Diego, State of California. Maintenance of the sewage pump station will be the responsibility of the City of Chula Vista. For more information contact the City of Chula Vista Engineering Department at (619) 691-5094.
- p. **Existing Open Space Areas.** The Community is located in an area that was formerly undeveloped open space. Buyer understands that brush and/or tall grass grows in areas near the Community and recognizes the potential for fire damage to the Property and the Community in the event of a brush fire. Various forms of wildlife may still exist as a result of multitude of parks, undeveloped land and remaining open space. The current construction operations in the Community area may upset the natural habitat of various types of wildlife (e.g., coyote, snakes, spiders, squirrels) and appropriate precautions should be taken to avoid injury from such animals.

Rolling Hills Ranch II is located in a beautiful and ecologically rich area of San Diego County. It is adjacent to the Otay-Sweetwater Unit of the San Diego National Wildlife Refuge. This area is the home to state and federal listed endangered species and critical habitat that has been preserved to protect those species. The Master Developer has worked closely with the wildlife agencies and the City of Chula Vista to minimize effects on sensitive plants and animals and to avoid and protect the habitats that support them. In addition to dedicating open space land outside of Rolling Hills Ranch II, residences in the Community are clustered away from natural drainage courses, leaving most of those drainages in their natural state. Urban runoff mitigation measures have been designed to prevent the discharge of urban contaminants into drainage courses.

As an integral part of avoidance and conservation measures, all residents of and visitors to Rolling Hills Ranch II are subject to certain natural resource restrictions. We hope that you will enjoy the rich wildlife present on and around Rolling Hills Ranch II and we seek your assistance in protecting these natural resources for future generations. Owners must not impair, interfere with, or otherwise undermine the designated conservation areas on Rolling Hills Ranch II. These areas are not intended to be used as recreation areas, and are not accessible to residents of the Community. Should any Owner (including an Owner's lessee, licensee or invitee) harm or in any way negatively impact the Preserve areas, the Owner shall be responsible for all costs associated with restoration of the Preserve areas to its original (pre-harm) condition. The restoration plan and its implementation costs shall be determined by the Preserve Manager, City and/or the Resource Agencies.

The Master Association shall provide educational materials at least once a year, or more often if directed by the Preserve Manager, to all Owners and their tenants informing them of the Preserve's goals and purpose, limited access restrictions, appropriate plantings, prohibited construction or disturbance within preserve boundaries, pet control, fire management and other adjacency issues.

Certain non-native exotic plants are invasive and threaten sensitive natural areas. For those reasons some plants are prohibited in Rolling Hills Ranch II. Certain ornamental plants prohibited from planting in Rolling Hills Ranch II include: Giant reed (*Arundo donax*), Pampas grass (*Cortaderia sp.*), Fountain grass (*Pennisetum setaceum*), Sea fig

conducted as to whether there are any adverse health effects from electric and magnetic fields generated by electric power lines. The California State Department of Education has established site selection standards for locating new schools near power lines with voltages of 50 KV or greater. However, the State of California has not established any setback or other limitations on construction of residential housing in the vicinity of electric power lines. The California Department of Health Services, in cooperation with the California Public Utilities Commission, continues to perform research on this subject. Seller has not made any written or oral representation or warranty concerning the effects of the electric power lines on the Property or the Community or any health risk related to such lines. Further information on this subject is available from the EMF Program, California Department of Health Services, 2151 Berkeley Way, Annex 11, Berkeley, California 94704, (510) 540-2869.

7. **Views/Open Space.** Neither the Seller, its employees, or agents, guarantees or represents that any view from, over and/or across Property, residential lots, or any portion of a lot or home will be preserved. Any such perceived view may change or be obstructed, depending upon activity undertaken during the development of this subdivision or development on adjacent property. Any express or implied easements for view purposes or for the passage of light and air are hereby expressly disclaimed. Without limitation, any view may be partially, materially or totally obstructed by (a) the planting of trees, shrubs, plants and other landscaping (collectively, "Landscaping") by Seller and others, (b) the growth and propagation of landscaping planted by Seller and others, (c) the growth and propagation of existing landscaping and/or (d) current and future development and construction by Seller and others within and outside of the Project, including, without limitation, grading and landform alteration, the construction of fences, walls and other improvements.

8. **Site Distance Restrictions.** City ordinances require that any Lot located on an intersection of any two streets is required to maintain clear areas for appropriate vehicular site distance purposes on that portion of the Lot which is located at such intersection. No landscaping, walls, fences, or other improvements constructed within this area may exceed thirty (30) inches in height. For more information, contact the City of Chula Vista Engineering Department at (619) 691-5024.

9. **Driveway Width/Approaches.** Buyer acknowledges that due to the location of street improvements, including without limitation, storm drain inlets, electrical transformers, street lights, as well as the design of certain lots in cul-de-sacs or other areas where grade changes or curve radii exist, the width of driveways and driveway approaches may vary from Lot to Lot.

10. **SWPPP (Storm Water Pollution Prevention Plan).** The Congress of the United States enacted the Clean Water Act in 1974, in order to protect our nation's rivers, bays and oceans from pollution. In 1987, the Act was amended to address pollution from urban sources such as streets, homes and businesses. The Federal Environmental Protection Agency has developed the National Pollutant Discharge Elimination System (NPDES) in order to implement the Clean Water Act. NPDES requirements affect the use of all properties both directly and indirectly.

As directed by NPDES, existing city ordinances prohibit all property owners from discharging pollutants into the storm drainage system. ***Pollutants include: soil, dirt, paint, pesticides, herbicides, fertilizers, chemicals, detergents, gasoline, oil, grease and pet waste. NPDES prohibits you, as a property owner, from discharging pollutants into the street or allowing pollutants to leave your property and enter into the storm drainage system.***

Many common household practices have the potential to violate these ordinances if they result in pollutants being discharged into the storm drainage system. Here are a few examples:

1. Washing a car in the driveway or street with detergent.
2. Cleaning the engine compartment with solvents.
3. Allowing lawn irrigation to run off into the street.
4. Fertilizing or applying pesticides around your home.
5. Allowing a pool or landscape contractor to pile dirt or construction material in the driveway or street.
6. Draining water from a pool.

Penalties for violating pollution prevention ordinances can be significant. Federal, state and local enforcement agencies may amend these ordinances to be even more restrictive. At a minimum, you should consider the following as you seek to meet property owner obligations under NPDES:

1. Minimize the exposure of soil to rainfall erosion by establishing landscaping as early as possible. Dirt washing from your lot into the street when it rains is considered pollution.

5. Call your city for more information. As a property owner, you are responsible to follow the regulations and obligations mandated by the NPDES requirements.

11. **Public Safety.** The following are public health and safety resources located near the Community. Although the facilities described are currently operational, the facilities operating and the hours of operation are subject to change. **IF YOU HAVE AN EMERGENCY, DIAL 911.** Seller makes no guarantees concerning the establishment of, or future operation of any of the facilities or services listed below, but provides the information as a courtesy to its Buyers.

Scripps Memorial Hospital is located at 435 H Street, Chula Vista, CA 91910. The telephone number for the facility is (619) 691-7000.

Sharp Chula Vista Medical Center is located at 751 Medical Center Court, Chula Vista, CA 91911. The telephone number for the facility is (619) 482-5800.

Kaiser Permanente Psychiatric Clinic is located at 990 Lane Avenue, Chula Vista, CA 91914. The telephone number for the facility is (619) 525-5000.

Chula Vista Police Department is located at 276 Fourth Avenue, Chula Vista, CA 91910. The business phone number is (619) 691-5137 and the 24-hour, non-emergency dispatch number is (619) 691-5151. **Call 911 for emergencies.**

Chula Vista Fire Department is located at 447 F Street, Chula Vista, CA 91910. The nearest fire station is located on Lane Avenue, Chula Vista, CA 91913. The business phone number is (619) 691-5055 and the 24-hour, non-emergency dispatch number is (619) 691-5151. **Call 911 for emergencies.**

12. **Multiple Species Conservation Program and Endangered Species.** The City of Chula Vista has developed a comprehensive habitat and wildlife conservation program, called the Multiple Species Conservation Program (MSCP) Chula Vista Subarea Plan, in coordination with the U.S. Fish and Wildlife Service and the California Department of Fish and Game. That plan protects sensitive plants and animals. Conservation areas have been preserved in perpetuity on and around Rolling Hills Ranch II in compliance with the MSCP.

Rolling Hills Ranch II is required to implement specific conservation measures and mitigation and management measures to protect on-site preserves to ensure the long-term presence of the federally listed endangered quino checkerspot butterfly (*Euphydryas editha quino*), the federally listed threatened and state listed species of special concern coastal California gnatcatcher (*Poliophtila californica californica*), and the federally listed threatened and state listed endangered Otay tarplant (*Deinandra conjugens*).

Specific Areas in the Community have been set aside within the preserves to ensure the long term preservation of the Quino Checkerspot Butterfly. These areas will be monitored and managed by the Preserve Manager to restore and maintain Quino habitat in selected locations, maintain connectivity along key linkages, and to minimize long term impacts to the species.

13. **Rolling Hills Ranch II Preserve Areas.** Conservation areas on Rolling Hills Ranch II have been established to preserve certain plant and animal species and include dedicated MSCP Open Space Preserve, Tarplant Management Areas (TMA) and Neutral Open Space. Owners must not impair, interfere with, or otherwise undermine the conservation values of the preserve areas. Access into these areas is not permitted and any activity which is harmful to the plant or animal life in the preserve areas is prohibited, including but not limited to (i) applying herbicides, rodenticides, or engaging in any other weed abatement activities; (ii) riding horses, bicycles, off-road vehicles or any similar vehicle; (iii) erecting any billboard or sign; (iv) depositing soil, trash, ashes, garbage, waste, bio-solids or any other material; (v) excavating, dredging or removing any gravel, soil, rock, sand or other material, or otherwise altering the general topography; (vi) removing, destroying, and cutting any trees, shrubs or other vegetation within the preserve areas; and disposal or discharge of pool water or other liquid or solid waste; and (viii) creating any impacts to plant or animal species in the preserve resulting from adjacency issues such as excessive noise, direct lighting of the preserve areas, introduction of invasive species, or release of any toxic materials into the preserve areas.

14. **MSCP Open Space Preserve.** A total of approximately 214 acres of dedicated MSCP Open Space Preserve surrounds the residential communities. Long-term management in conformance with adjacency guidelines, and species-specific management directives are the responsibility of the Preserve Manager. Detailed long-term management elements for the MSCP Open Space Preserve consist

Maintenance of three strands fencing around the Tarplant Management Area and the MSCP Preserve will be the responsibility of the Homeowner's association.

16. **Neutral Open Space Preserve.** Approximately 40 acres of passive open space has been identified as Neutral Open Space Preserve. The passive open space differs from the MSCP Preserve and TMA Preserve areas in that it is not monitored or managed for biological values. Unlike the other preserve areas, management of the Neutral Open Space Preserve is the responsibility of the Rolling Hills Ranch II Master Association ("HOA"), as owner of the property. This area will not be allowed to become infested with noxious weeds or pests that have the potential to jeopardize the viability of the nearby MSCP Preserve. The HOA will provide litter removal, access control, limited weed eradication, trash and litter removal and resident outreach/information dissemination.

17. **Farming and Grazing Operations.** Buyer is hereby advised that undeveloped portions of property outside the Community area are used for dryland farming and grazing operations (which include utilization of fertilizer and pesticides in accordance with applicable Federal, State and local laws, rules and regulations).

18. **Otay Correctional Facilities.** The Richard J. Donovan Correctional Facility at Rock Mountain (a minimum and medium security prison); the George F. Bailey detention facility (a County of San Diego jail); the East Mesa Detention Facility; the East Mesa Juvenile Detention Facility; and the private Wackenhut Corporation Facility are located in the vicinity of the Project.

19. **Otay Sanitary Landfill.** The Otay Landfill is located south of Olympic Parkway on the west side of Heritage Road in the vicinity of the Project and is operated by San Diego Landfill Systems, a subsidiary of Allied Waste Industries. The Otay Landfill currently receives up to 3,500 tons of solid waste per day, including residential, commercial and non-hazardous industrial waste. The current hours of operation are Monday through Friday 7:00 A.M. – 4:00 P.M. and Saturday 7:30 A.M. – 4:00 P.M. and are subject to change. The facility may generate noise, unpleasant odors, birds, pests, dirt, dust, traffic and other impacts in the vicinity of Provenance and the Rolling Hills Ranch II Community. For more information please contact the Otay Landfill at (619) 421-3773.

20. **Coors Amphitheatre.** The Coors Amphitheatre ("Amphitheatre") is located in the vicinity of the Community. The Amphitheatre provides host to approximately 20,000 patrons for live concerts and other entertainment throughout the year. The Amphitheatre may impact the Rolling Hills Ranch II Community in the form of noise, traffic, lights, and other impacts associated with the Amphitheatre. For more information concerning this facility, please contact the Amphitheatre directly at (619) 671-3600.

21. **Knott's Soak City.** Knott's Soak City is located in the vicinity of the Community adjacent to the Coors Amphitheatre. Knott's Soak City is a recreational water park that offers water slides, a wave pool, picnic areas and other recreational amenities. The park currently operates from approximately May through October, although this schedule is subject to change. The impacts from Knott's Soak City may include traffic and other impacts associated with such a facility. Please contact Knott's Soak City directly at (619) 661-7373 for more information.

22. **United States Olympic Training Center.** The United States Olympic Training Center ("OTC"), consisting of approximately 154 acres, owned and operated by the United States Olympic Committee, is located in the vicinity of the Community. The OTC may attract an estimated 500,000 visitors each year. The impacts from the OTC may include traffic congestion and other impacts associated with such a facility. For further information regarding activities at the facility, please contact the OTC at (619) 656-1500.

23. **Sharp Chula Vista Medical Center and Heliport.** The Sharp Chula Vista Medical Center and Heliport is located in the vicinity of the Project, and impacts may be in the form of noise from sirens, helicopters, traffic, and other impacts associated with the medical center and the heliport. For further information please contact the Sharp Chula Vista Medical Center and Heliport at (800) 827-4277.

24. **Transportation Systems.** Buyer understands that west of the Community is the proposed State Route 125 ("SR 125") transportation corridor. The present alignment will, if not a toll road or freeway, most likely become a major roadway connecting to East H Street and other roads to the north and/or south. The alignment will probably be a major roadway connecting between Interstate 905 and State Route 54 (South Bay Freeway). There are also plans to connect SR 125 to the existing portions of SR 125 near Interstate 8 and further north. Please contact the City's Engineering Department at (619) 691-5024 for more information.

will have on noise, pollutants, lights and traffic in and around Provence. For more information please contact the City's Engineering Department at (619) 691-5024.

**26. Schools.** There is currently one elementary school existing within Rolling Hills Ranch II and one middle school within the adjacent Eastlake Woods community, south of Provence along Duncan Ranch Road. The Project lies within the Chula Vista Elementary and Sweetwater Union High School Districts (the "School Districts"). Buyer is responsible for contacting representatives at the School Districts listed below regarding the availability of schools.

Chula Vista Elementary School District: (619) 425-9600 (General number) x1575 (student placement)

Sweetwater Union High School District: (619) 691-5500

Buyer acknowledges that the School Districts have the sole authority to determine the Schools that children of the residents of the Project may attend. Seller makes no representation regarding the current or continued availability of any school to residents of the Project.

**27. Swim/Recreation Facility.** Rolling Hills Ranch II residents will have access to a Swim/Recreation Facility, located within the Rolling Hills Ranch II Community. One key fob will be provided at close of escrow, for which there will be a \$100 replacement fee. Buyer acknowledges that this is the only facility that the residents of the Rolling Hills Ranch II community will have access to in the "Rolling Hills Ranch II" Master planned-community. In turn, residents of neighborhoods other than Rolling Hills Ranch II will not have access to this facility. Impacts from the recreation facility including noise, lighting overspill, traffic, parking and other effects resulting from public use may affect the Project. Buyer is hereby advised to consult the vicinity map located in the sales office for the specific location.

**28. Transfer of Obligation to Association.** Buyer acknowledges that as specifically reserved per the Master Declaration, Seller has the unilateral right to transfer certain landscape and slope maintenance, and maintenance obligations to the Association pursuant to the Master Declaration. Seller's transfer of such obligations may result in increased assessments and greater liability to the Buyer, however, Buyer hereby agrees to accept a transfer of the maintenance obligations.

**29. Fencing and Walls.** Fencing plans are provided in the sales office. It is important to note that actual locations and materials may vary from that shown on the plans. Walls and fencing are not necessarily always located on the property lines. Fencing installed by Buyer may be restricted to certain locations and types.

For maintenance responsibility of walls and fences please refer to Section 7.5 of the recorded CC&Rs and Section 2 of the amendment to the CC&Rs. The Association shall have a non-exclusive easement for access to the Owner's Lot for the purposes of repairing, replacing or maintaining any wall or fence described in this section, which easement shall include the right to remove any structure, plant or article from the wall or fence as needed to complete its maintenance, repair or replacement work and for encroachment and support as a result of the construction of such walls or fences.

For fences or walls which separate two (2) residences, each Owner shall have the obligation to maintain the interior surface of the fence or wall facing such Owner's residence and the Owners shall share equally the cost of replacing such fencing or walls, as and when necessary. The Owner of each affected portion of the Lots upon which such a wall or fence is located shall have a reciprocal, non-exclusive easement to the portion of the Lot immediately adjacent to the interior fence for the limited purpose of maintaining the wall or fence.

In general, most of the residences will have wood fencing. In some cases the residences will have masonry, iron, glass or combination thereof depending on the location of the residence. The fence installed by Seller has been approved by the City, per the wall and fence plan. The City and the Architectural Committee must approve any alterations to the fencing as to type, height, or color. For further details, please review the Lot Exhibit or the wall and fence plan that is available in the sales office.

In the event a fence or wall within the Property requires replacement, the replacement fencing or wall shall be identical to the fencing or wall being replaced, unless the Architectural Committee approves other replacement fencing or walls. Any fence or wall installed by Seller on the Property is not intended to conform to barrier fencing required for pools or spas. Buyer will be responsible for obtaining Architectural Review Committee approval and provide any and all such required barriers if he/she chooses to install a pool or spa. If Buyer is contemplating having a pool or spa installed, he/she should contact the City of Chula Vista Building and Planning Department to determine the requirements.

30. **Right of Entry.** Buyer is aware that Seller maintains a Right of Entry Policy in order to ensure the safety of visitors. Buyer agrees to contact the sales associate to obtain a Right of Entry Authorization before visiting any home sites.

31. **Termination of Construction.** It is hereby understood and agreed by both Buyer and Seller that if the City, County, or any other governmental agency which has jurisdiction over the subject Property imposes a moratorium or halts construction during the escrow period, which as a result of said action shall delay the completion of the subject construction for more than 30 days, Seller reserves the right to cancel said escrow under these special circumstances and return all deposits to Buyer. This agreement is separate from, and does not hereby invalidate any other provisions of the "Real Estate Purchase Agreement, Joint Escrow Instructions, and Receipt for Deposit."

32. **Yard Landscaping.** All front yard landscaping is the responsibility of the Buyer to install, maintain and irrigate. You may have a parkway area (as described in Section 36) located adjacent to your front yard. You will not own the parkway area, but you will be required to install and maintain landscaping within such area as part of your front yard. The Seller will install a City approved street tree, which cannot be removed. The CC&Rs require submittal of landscape plans for approval to the Rolling Hills Ranch II Master Association within 2 months of close of escrow and installation completed within 6 months of close of escrow per Section 10.13 of the Master Declaration. Rear yard landscaping plans must be submitted for approval to the Rolling Hills Ranch II Master Association within 3 months of close of escrow and installation must be completed within 9 months of close of escrow per Section 10.14 of the Master Declaration. **A \$500 deposit will be collected in escrow for the strict use of plan review by and HOA approved landscape architect.** Upon completion of the review, fees will be assessed from the deposit with any remaining amount (if applicable) returned to the homeowner. For further information please contact The Walters Management Company at (619) 656-3220.

33. **Landscaping and Post-Construction.** Landscaping and post-construction practices carried out by homeowners and their representative bodies exert significant influences on the integrity of structures founded on expansive soils. Improper landscaping and post-construction practices, which are beyond the control of the geotechnical engineer, are frequently the primary cause of distress to these structures. Recommendations for proper landscaping and post-construction practices are provided in the following paragraphs within this section. Adhering to these recommendations will help in minimizing distress due to expansive soils, and in ensuring that such effects are limited to cosmetic damages, without compromising the overall integrity of structures. The recommendations provided herein have been developed in general accordance with the guidelines provided within the Post-Tensioning Institute's (1996) recommendations for the design and construction of post-tensioned slabs-on-ground.

Initial landscaping should be done on all sides adjacent to the foundation of structure, and adequate measures should be taken to ensure drainage of water away from the foundation. If larger, shade providing trees are desired, such trees should be planted away from structures (at a minimum distance equal to half the mature height of the tree) in order to prevent penetration of the tree roots beneath the foundation of the structure.

Locating planters adjacent to buildings or structure should be avoided as much as possible. If planters are utilized in these locations, they should be properly designed so as to prevent fluctuations in the moisture content of subgrade soils. Planting areas at grade should be provided with appropriate positive drainage. Wherever possible, exposed soil areas should be above paved grades. Planters should not be depressed below adjacent paved grades unless provisions for drainage, such as catch basins and drains, are made. Adequate drainage gradients, devices, and curbing should be provided to prevent runoff from adjacent pavement or walks into planting areas.

Watering should be done in a uniform, systematic manner as equally as possible on all sides of the foundation, to keep the soil moist. Irrigation methods should promote uniformity of moisture in planters and beneath adjacent concrete flatwork. Overwatering and underwatering of landscape areas must be avoided. Areas of soil that do not have ground cover may require more moisture, as they are more susceptible to evaporation. Ponding or trapping of water in localized areas adjacent to the foundations can cause differential moisture levels in subsurface soils and should, therefore, not be allowed. Trees located within a distance of 20 feet of foundations would require more water in periods of extreme drought, and in some cases, a root injection system may be required to maintain moisture equilibrium. During extreme hot and dry periods, close observations should be carried out around foundations to ensure that adequate watering is being undertaken to prevent soil from separating or pulling back from the foundations.

Many of the lots in Neighborhoods 9-12 of the Rolling Hills Ranch community contain large, landscaped

plans and certified by a registered civil engineer. A copy of the soils report for Provence can be obtained from the City.

In connection with the preparation of landscape and any other improvement plans for your yard, it is important that you consider any possible harmful affects that such landscaping and associated improvements may have upon your Lot and Residence and on adjacent property. Any improvements must be designed and constructed in a manner to prevent any possible damage to your Lot and adjacent property and structures. Any alteration of the established drainage pattern (including grading, landscaping and installation of improvements) or failure to maintain proper drainage may not only result in drainage related problems, but also soils movement, slope failure, instability, and the like. Raising the existing grade, constructing planters, installing flatwork, changing the drainage pattern, improper installation or maintenance of irrigation systems and other similar activities may cause damage to your property, adjacent property (including your neighbor's property, adjacent slopes and down slope Lots) and improvements and structures located thereon. Buyer is solely responsible for any damage to Buyer's property or surrounding property and the improvements and structures located thereon as a result of any alterations by Buyer.

Seller recommends that you consult with an expert on soils, landscaping and/or drainage (as applicable to the improvements contemplated) such as a licensed landscape architect, soils engineer, geotechnical engineer, geologist, civil engineer and/or other similar specialist before making any alterations to ensure that such work is constructed correctly in light of current soils and drainage conditions. Although consulting with an expert may add substantially to the cost of installation of improvements, failure to do so may result in significant breaking, lifting, separating, tilting and/or cracking in improvements.

**35. Lot dimensions and Property Lines.** The final subdivision map for Provence is Rolling Hills Ranch Subarea III Neighborhood 12, recorded in the Recorder's Office in the County of San Diego as Map No. 14922. A lot line adjustment affecting some lots may be recorded in the Recorder's Office to modify lot boundaries. The lot line adjustment document will be identified in the title report you receive prior to the close of escrow if the lot you are purchasing is affected by the lot line adjustment. The subdivision monumentation has been set by a licensed land surveyor in the locations shown on the final map or lot line adjustment. Because of the technical nature of the subdivision monumentation, homeowners may wish to obtain the services of a qualified professional to explain the location and dimension of property lines an property corners. Physical improvements such as slopes and fences, and field makers such as stakes should not be relied on as accurate indicators of property lines.

**36. Easement/Right-of Way/Utilities.** Certain lots contain easements restricting Buyer's use of the easement areas. Easements exist for, yet are not limited to, access and maintenance of areas dedicated to: walls, roads, sidewalks, sewers, storm drains, general use, SDG&E general utility and SDG&E tree trimming/maintenance, subdrains and lot to lot drainage. Buyer will receive and acknowledge, through escrow, a Preliminary Title Report disclosing such easements on his/her lot. Seller, Homeowners Association, City, or other public agencies reserve the right to record, in the future, easements that are required to serve their needs. Buyer agrees to fully cooperate with any request to record such easements.

The landscaping in any parkway area in front of a home will be installed and maintained by the homeowner. All other parkway areas will be maintained by the Rolling Hills Ranch II Master Association. The Rolling Hills Ranch II Master Association has, or will be granted, easements across portions of certain lots in Rolling Hills Ranch II for maintenance of Homeowners Association landscaping, streets and other facilities.

**37. Seller Constructed Retaining Walls.** Retaining walls will be constructed by Seller on some Provence lots. These retaining walls, generally built of concrete or concrete block, have either been designed and specified by professional civil engineers or conform to City and/or regional Standard Drawings and Specifications. The planned locations of the retaining walls have been shown on the community grading plans by the community civil engineer. Because site conditions may vary somewhat from the plans, modifications to the planned walls, including deletion or addition of walls, may have been made by the community civil engineer during construction. Also, retaining walls may have been added to facilitate the placement of the house on the lot. These additional walls will be shown on the plot plans for the house. The Seller-constructed retaining walls have been designed and constructed for the benefit of the lot and in certain cases for the additional benefit of the adjacent lot. These retaining walls must not be removed, altered or modified by Buyer without professionally engineered plans and permits.

**38. Buyer-Constructed Retaining Walls.** All retaining walls constructed by Buyer should be

the separate lot exhibit provided by Seller, for specific details. The attached exhibit is for illustrative purposes only. Any dimensions are approximations. The actual location and nature of the improvements shall control. The location of all residences on the exhibit are shown for information purposes only and should not be relied upon for precise design or dimension.

40. **Floor Plan and Exterior Variations.** Variations from the brochure or model homes may occur in your home. Concrete flatwork may vary by lot and plan. Concrete flatwork may also differ from the brochure, architectural drawings, or plot plans. The placement of air conditioning (A/C) units is determined on a lot by lot basis. A/C unit locations may differ from the model, brochure, architectural drawings and/or plot plans. Buyer should consult sales associate for further information regarding his/her home.

41. **Sewer Backflow Valves.** Some homes may be provided with sewer backflow valves. The clean-out for these valves is usually located in the garage. The valve should be disconnected before cleaning a sewer line to avoid damaging the valve.

42. **Floor Area Ratio.** This community is subject to Floor Area Ratio (FAR) restrictions, which are required by the City of Chula Vista. FAR restrictions may limit or restrict future building additions.

43. **Limited Access Sideyards.** Buyer is aware that fireplaces, retaining wall, A/C condensers located on the side of the house may limit access on that sideyard.

44. **Concrete and Stucco.** All concrete and stucco is subject to shrinkage and surface cracking, and it is expected that hairline cracks will develop. Such concrete and stucco surface cracking is a cosmetic condition and does not affect the structural integrity of the home and adjacent areas, such as, but not limited to, exterior walls, garage, walkways and driveway.

45. **Garage Size.** All garages are built to City of Chula Vista approved plans and specifications. Some of the homes in this neighborhood are constructed with three car garages. On certain plans, one of the garage spaces is smaller than the others. This smaller space is intended for compact autos, motorcycles, bicycles and other similar uses. The buyer hereby acknowledges that their plan may incorporate a small parking space in the garage and that it is not for parking larger automobiles. Also, parking of the maximum number of cars for which a garage was designed may block or make difficult access to a storage area (if any) in the garage or to the residence from the garage. Buyer acknowledges that before entering in the Contract, it is his/her responsibility to determine whether the sizes and locations of car spaces in the garage of the floor plan of home selected by Buyer are adequate and appropriate to park the Buyer's cars.

In addition, Buyer acknowledges that by selecting to purchase the "Casita" option they must maintain the pre-designated garage space as "Casita" parking per the city of Chula Vista. Please refer to Section 10.12 of the Master Declaration for further information about vehicular parking restrictions.

46. **Affordable Housing.** The Community is a balanced master-planned community which has been planned to provide a range of residential housing from custom, high-end homes to affordable homes and apartments. In connection with the overall development of the Community, the City and the Master Developer have entered into an affordable housing agreement ("Affordable Housing Agreement") which requires the construction of certain affordable housing units within Rolling Hills Ranch II to comply with the City and State's affordable housing regulations which require five percent (5%) of the Community's total dwelling units to be designated for sale or rent to Low Income households and five percent (5%) of the Community's total dwelling units to be designated for sale or rent to Moderate Income households. For further information concerning the details and benefits of the balanced community planned for Rolling Hills Ranch II, you may obtain copies of the Affordable Housing Agreement and the City's Inclusionary Housing Ordinance from the City of Chula Vista Community Development Department at 276 Fourth Avenue, Chula Vista, California 91910, (619) 585-5722.

47. **Future On-site Construction.** Buyer should contact the City prior to any additional on-site construction on the Property, including without limitation, pools, spas, patios, decks, sidewalks, decorative concrete flat work, gazebos, fences, retaining walls, storage or utility structures, air conditioning or solar installations, or remodel or modifications of the residential structure. Any such additional on-site construction should consider geotechnical conditions, and should not be commenced, erected or maintained on the Property other than in accordance with recommendations made by a qualified geotechnical engineer or other consultant. The Master Declaration and other restrictions affecting the Property, including the Rolling Hills Ranch II Architectural/Landscape Guidelines (collectively "Restrictions") may contain provisions which limit or preclude certain on-site construction activities on or

**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](http://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. It is your responsibility to check for offenders in the area in or around the Project.

49. **Community Facilities District No. 11M.** The property you are purchasing is located within the boundaries of Community Facilities District No. 11M (Rolling Hills Ranch II) ("CFD 11"). CFD 11M provides for the maintenance of habitat conservation areas; detention basins, storm drains, catch basin inserts, hydrodynamic devices, infiltration basins, and all other facilities that are related to storm water quality control throughout the district. All property within CFD 11 will be subject to a "special tax" which will appear and be collected with your general property tax bill. The special taxes for CFD 11 may be collected in perpetuity. The amount of the special tax for CFD 11 is subject to an annual adjustment based upon the annual increase in the consumer price index. You will receive a "Notice of Special Tax" providing more information about CFD 11 before the close of escrow.

a. **Habitat Maintenance.** MSCP Lots C, E, F & G of Map 14756, Lot A of Map 14159 (Neighborhood 1, Unit 2), Lot A of Map 14160 (Neighborhood 1, Unit 3). Habitat Maintenance includes: litter removal, surveys and monitoring, weed eradication, fencing, property tours, required reporting, and resident outreach.

Tarplant Management Area, Map 14756 Lot DD and Lot HH – The CFD is proposed to manage the Endowment set up for the maintenance of the Tarplant Management Area. Maintenance responsibilities of the Endowment include: litter removal, surveys and monitoring, weed eradication, fencing, property tours, required reporting, and resident outreach.

*Johnson Canyon – It is anticipated that the maintenance of Johnson Canyon will be carried out by the Otay Ranch Preserve Owner Manager (POM) with the funding created by CFD 11M. Should the Otay Ranch POM not accept the maintenance of Johnson Canyon then another conservation entity approved by the wildlife agencies and the City will be selected. Maintenance of the Johnson Canyon parcel will include regular inspections to ensure no unauthorized activities occur within the parcel. Additionally, should the POM accept the maintenance responsibility of the Johnson Canyon parcel, management and monitoring activities shall be performed in accordance with the Otay Ranch Resource Management Plan (RMP).*

Proctor Valley Road: Dirt road maintenance, grading up to 4 times a year.

b. **Storm Water Quality Maintenance.** Basin located on Lot A of Map 14756, north of Proctor Valley Road. Storm Water Quality Maintenance includes: landscaping maintenance, maintenance, monitoring, downstream erosion, and environmental permits.

Public drainage structures within the project including but not limited to, catchbasins at the rear of Lots 35 and 76 of Neighborhood 12 and Lot 51 of Neighborhood 9.

Services directly related to removal of contaminants and solids from storm water throughout the District including but not limited to storm drains, catch basin inserts, hydrodynamic devices, infiltration basins, and similar services.

50. **SUBSTITUTION OF SERVICES.** *The description of the Services, as set forth above, is general in its nature. The final nature and location of the Services will be determined upon the preparation of final plans and specifications. The final plans may show substitutes in lieu of, or modification to, the proposed Services in order to provide the public services necessitated by development occurring in the District, and any such substitution shall not be a change or modification in the proceedings as long as such substitute services serve a function or provide a service substantially similar to that function served or the service provided by the Service described above.*

51. **BUYER'S ACKNOWLEDGMENT OF RECEIPT OF DISCLOSURE STATEMENT.** BUYER ACKNOWLEDGES THAT S/HE HAS RECEIVED AND READ THIS DISCLOSURE STATEMENT AND THE ENUMERATED DOCUMENTS. BUYER REALIZES THAT THEY CONTAIN IMPORTANT INFORMATION AFFECTING BUYER'S RIGHTS AND OBLIGATIONS AS A HOMEOWNER IN

53. **NO REPRESENTATIONS.** NO MERCHANT BUILDER, SALESPERSON, EMPLOYEE OR AGENT OF ANY MERCHANT BUILDER OR THE DECLARANT HAS THE AUTHORITY TO MAKE ANY REPRESENTATIONS TO YOU WHICH CONTRADICT ANY OF THE FOREGOING MATTERS.

54. **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 LOT IN THE ROLLING HILLS RANCH II COMMUNITY. YOU 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 HIM/HER IN DECIDING WHERE AND WHEN TO BUY.

***Please review your title report for any additional information.***

**PLEASE ACKNOWLEDGE THAT YOU HAVE RECEIVED AND REVIEWED THIS STATEMENT BY SIGNING IN THE SPACE PROVIDED BELOW.**

\_\_\_\_\_  
Buyer's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Buyer's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

# Debt - To - Income Pre-Qualification Worksheet

**Provence**

**6196560284**

Details				
Home Site 37 / 2				
Plan	Down Payment	\$0	Loan Amt	\$0
Price	Est. Closing Costs	\$0	Fin. P.M.I.	\$0
Loan				
	<b>Total Move-In Costs</b>	<b>\$0</b>	<b>Total Loan</b>	<b>\$0</b>

Monthly Income	Anticipated Housing Expense	Monthly Obligations
Borrower	Principal & Interest <small>1st Adjusted Total Payment: \$ 252</small>	Monthly Debts
	Mortgage Insurance	
	Property Tax	
	Homeowner's Ins.	
	HOA	
	Other Monthly	Housing Expense
<b>Total Income</b>	<b>Housing Expense</b>	<b>Total Expenses</b>
\$0	\$0	\$0

Qualifying Payment

\$0

Lender Required Ratios

0 TOP 0 BOTTOM

Your Ratios Are

0 TOP 0 BOTTOM

To Qualify, your ratios should be near or under the lender's required ratios.

**Sales Representative**

**Martha Felix**

Date: 09/23/08

BUYERS INITIALS

---

**Lender Information:**

**Liberty West Mortgage**

**Brian Sabourin**

(959) 552-2122



Property Address: TR 14922 (Chula Vista Tract No. 92-02A), LOT 37  
362 BRYAN PO DRIVE, CHULA VISTA, CA 91914

## NEW HOME PROPERTY DISCLOSURE REPORT

# PDR<sup>®</sup>

### INFORMATION PAGE

PDR is a registered trademark.

### THE COMPANY

# COPY



A Member of The First American Family of Companies since 1998

1590 N. Batavia Street, Suite #1 Orange, CA 92865

### PROPERTY IDENTIFICATION & PDR DATE

PLEASE VERIFY THAT THE PROPERTY INFORMATION BELOW IS CORRECT.

**Property Address:** TR 14922 (Chula Vista Tract No. 92-02A), LOT 37  
362 BRYAN POINT DRIVE, CHULA VISTA, CA 91914

**Property Assessor's Parcel Number:**

**PDR Date:** Thursday, March 17, 2005

### ADDRESSEE

**FIRST AMERICAN TITLE**  
ATTN: JENNIFER BABAUTA  
411 IVY STREET  
SAN DIEGO, CA 92101

**CORNERSTONE COMMUNITIES**  
ATTN: ILSE GARCIA GUIDO  
4365 EXECUTIVE DRIVE SUITE #600  
SAN DIEGO, CA 92121

### NOTICE

The Company is pleased to provide Recipient with this New Home Property Disclosure Report ("PDR") for the Property identified above. Please note that this PDR is a contract subject to the Terms, Conditions, and Limitations on Liability set forth herein which should be reviewed carefully.

The information contained in this PDR is derived as of the PDR Date from certain specified Public Records within the control of the governmental entities described in Schedule A ("Natural Hazard Disclosure Summary") and Schedule B ("Summary of Additional Disclosures"). The information set forth in Schedule A (a) relates to the natural hazard zones specified in California Civil Code §1103.2, and (b) is provided by the Company in accordance with the requirements of Civil Code §1103.4(c). The information set forth in Schedule B is provided by the Company to facilitate compliance with those disclosures specified in Schedule B. A prospective purchaser may request a copy of a public report, if applicable, from the owner, subdivider, or agent to ascertain if other portions of a project, development, or common area/interests are located within a specified natural hazard zone/area. Please note this PDR is NOT based upon a physical inspection of the Property.

THE "NATURAL HAZARD DISCLOSURE STATEMENT" FORM REQUIRED BY CALIFORNIA CIVIL CODE §1103.2(a) ("THE LAW") HAS BEEN COMPLETED AS OF THE PDR DATE IN ACCORDANCE WITH THE TERMS OF THIS PDR AND IS PROVIDED WITH THIS PDR AS AN ACCOMMODATION ONLY AND IS NOT PART OF THE PDR. PLEASE NOTE THAT THE LAW REQUIRES THAT THE STATUTORY FORM BE COMPLETED, EXECUTED, AND DELIVERED BY THE SELLER AND RESPECTIVE REAL ESTATE AGENTS TO THE BUYER. IN ADDITION TO THESE STATUTORY NATURAL HAZARD DISCLOSURES, CERTAIN OTHER INFORMATION IS ALSO PROVIDED IN THIS PDR FOR THE BENEFIT OF THE RECIPIENTS.

*If you have any questions or comments regarding this PDR,  
please contact the Company's Customer Service Department at (800) 200-2561.*

**THIS PDR IS A CONTRACT. PLEASE READ IT CAREFULLY.  
THIS PDR IS A REPORT PRODUCT AND IS NOT AN INSURANCE POLICY.**

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**SCHEDULE A**  
**NATURAL HAZARD DISCLOSURE SUMMARY**

**SPECIAL FLOOD HAZARD AREA**

Is any portion of the Property located within a Special Flood Hazard Area ("SFHA") according to the Public Record specified below as of the PDR Date?

Yes  No  Do not know / information not available from local jurisdiction

**PUBLIC RECORD:** Official Flood Insurance Rate Maps ("FIRM") compiled and issued by FEMA pursuant to 42 United States Code §4001, et seq.

**Note:** If the Property is subject to either a Letter of Map Amendment ("LOMA") or Letter of Map Revision ("LOMR") issued by the Federal Emergency Management Agency ("FEMA"), a copy of the LOMA or the LOMR must be attached to the Natural Hazard Disclosure Statement ("NHDS") or appropriate disclosure statement. The Company is not always able to determine if the Property is subject to a LOMA or a LOMR. Even if such information is available to the Company, the Company is unable to attach a copy of the LOMA or LOMR to the NHDS. If Seller is aware that the Property is subject to a LOMR or a LOMA, the Seller shall attach a copy to the NHDS and notify the Company.

**AREA OF POTENTIAL FLOODING**

Is any portion of the Property located within an Area of Potential Flooding according to the Public Record specified below as of the PDR Date?

Yes  No  Do not know / information not available from local jurisdiction

**PUBLIC RECORD:** Official dam inundation maps issued by the California Office of Emergency Services ("OES") pursuant to California Government Code §8589.5.

**VERY HIGH FIRE HAZARD SEVERITY ZONE**

Is any portion of the Property located within a Very High Fire Hazard Severity Zone according to the Public Record specified below as of the PDR Date?

Yes  No

**PUBLIC RECORD:** Official maps issued by the California Department of Forestry and Fire Protection pursuant to California Government Code §51178.

**WILDLAND - STATE RESPONSIBILITY AREA**

Is any portion of the Property located within a Wildland - State Responsibility Area according to the Public Record specified below as of the PDR Date?

Yes  No

**PUBLIC RECORD:** Official maps issued by the California Department of Forestry and Fire Protection pursuant to California Public Resources Code §4125.

**EARTHQUAKE FAULT ZONE**

Is any portion of the Property located within an Earthquake Fault Zone according to the Public Record specified below as of the PDR Date?

Yes  No

**PUBLIC RECORD:** Official earthquake fault zone or special study zone maps approved by the State Geologist and issued by the California Department of Conservation, California Geological Survey pursuant to California Public Resources Code §2622.

**SEISMIC HAZARD ZONE**

Is any portion of the Property located within a Seismic Hazard Zone (Area of Potential Liquefaction) according to the Public Record specified below as of the PDR Date?

Yes  No  Maps not yet released by state

Is any portion of the Property located within a Seismic Hazard Zone (Area of Potential Landslide) according to the Public Record specified below as of the PDR Date?

Yes  No  Maps not yet released by state

**PUBLIC RECORD:** Official seismic hazard zone maps approved by the State Geologist and issued by the California Department of Conservation, California Geological Survey pursuant to California Public Resources Code §2696.

**SCHEDULE B- SUMMARY OF ADDITIONAL DISCLOSURES**

Schedule B-1: State of California: Airport Influence Area (CA Civil Code §§1102.17, 1103.4, & 1353)

As of the PDR Date, is any portion of the Property located within one or more Airport Influence Area(s) ("AIA") according to the Public Record specified below?

Yes \_\_\_\_\_ No  X

**PUBLIC RECORD:** Official land use maps and/or digital data made available to the Company by governing Airport Land Use Commission ("ALUC") or other designated body.

**SCHEDULE B-3 DEFINITIONS AND REPORTING STANDARDS**

This Schedule uses the following definitions in addition to those specified in Section 1 of the "Terms, Conditions and Limitations on Liability":

TERM	DEFINITION
<b>Airport Influence Area ("AIA")</b>	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 determined by an airport land use commission. Also known as "Airport Referral Area." (California Business & Professions Code §11010). In most cases, this boundary is designated by an ALUC as the <i>planning area boundary</i> of the airport (California Airport Land Use Planning Handbook, January 2002). NOTE: An AIA is mapped as a <i>polygon</i> as represented in size, shape, and position in the Public Record.

This Schedule uses the following Reporting Standards in addition to those specified in Section 6 of the "Terms, Conditions and Limitations on Liability." The following information is NOT disclosed in this Schedule:

- o AIAs for airports located outside California.
- o AIAs for public use airports not identified in the Public Record.
- o AIAs for private airports or military air facilities unless specifically identified in the Public Record.

**IMPORTANT NOTE:** Airports located in a small number of communities in which the governing ALUC or other designated body has not delineated an AIA boundary in a publicly available map are not a part of the Public Record. Property owners in such communities should contact their ALUC or designated body for more information on statutory compliance.

**STATUTORY DISCLOSURE REQUIREMENTS**

Effective 1 January 2004 transferors of residential real property and their agents may use a report or opinion prepared by an expert as set forth in California Civil Code §1103.4 to disclose if a property is located within an Airport Influence Area according to the Public Record. If a Property is located within such an Airport Influence Area, the report or opinion shall contain statutory "Notice of Airport in Vicinity." In addition, California Civil Code §1102.17 requires the seller of residential real property who has "actual knowledge" that the property "is affected by or zoned to allow an industrial use described in §731a of the Code of Civil Procedure" to give written notice of that knowledge as soon as practicable before transfer of title. California Code of Civil Procedure §731(a) states:

"Whenever any city, city and county, or county shall have established zones or districts under authority of law wherein certain manufacturing or commercial or airport uses are expressly permitted, except in an action to abate a public nuisance brought in the name of the people of the State of California, no person or persons, firm or corporation shall be enjoined or restrained by the injunctive process from the reasonable and necessary operation in any such industrial or commercial zone or airport of any use expressly permitted therein, nor shall such use be deemed a nuisance without evidence of the employment of unnecessary and injurious methods of operation. Nothing in this act shall be deemed to apply to the regulation and working hours of canneries, fertilizing plants, refineries and other similar establishments whose operation produce offensive odors."

**FOR MORE INFORMATION**

For more information regarding a particular Airport Influence Area, please contact the Airport Land Use Commission or designated body in your community

## INFORMATION ON NATURAL HAZARD DISCLOSURE

The following information is a summary of the most basic aspects of natural hazard disclosure requirements as set forth by the Residential Natural Hazard Disclosure Law. Please note that a property owner and his/her agent may still be subject to additional disclosures required by other State laws or county, city, or local ordinances.

### Residential Natural Hazard Disclosure Law

The Residential Natural Hazard Disclosure Law (California Civil Code §1103 *et seq.*) requires the location of residential real property (defined as property containing 1-4 family dwelling units) in relation to six (6) natural hazard zones/areas be disclosed to a "transferee" of such property. A "transferee" is anyone acquiring an interest in residential real property whether by sale, exchange, installment land contract, lease with option to purchase, option to purchase, or ground lease coupled with the improvements. Certain specific types of transactions set forth in Civil Code §1103.1 are exempt, such as transfers ordered by a probate court, etc. Other than the excluded transactions, the specified disclosures are mandatory and can not be waived. Any such waiver is void as against public policy. The disclosures are to be made on the statutory form which is to be executed by the parties and agents.

The Residential Natural Hazard Disclosure Law states that the required disclosures under this particular statute do not limit or abridge any obligation for disclosure created by any other provision of law or that may exist in order to avoid fraud, misrepresentation, or deceit in the transfer transaction and shall not change the duty of a real estate broker or salesperson pursuant to Civil Code §2079.

Neither the transferor nor his/her agent is responsible for any error, inaccuracy, or omission of any information delivered pursuant to the law provided that such error, inaccuracy, or omission was not within their personal knowledge and was based on a report prepared by a licensed engineer, land surveyor, geologist, or expert in natural hazard discovery dealing with matters within the scope of the professional's license or expertise. In the event that the information provided becomes inaccurate due to changes caused by governmental action, map revisions, changed information, or other act of occurrence, the inaccuracy is not a violation of the Residential Natural Hazard Disclosure Law unless the transferor or agent has actual knowledge that the information has become inaccurate.

Any person who fails to perform any duty prescribed by any provision of the Residential Natural Hazard Disclosure Law shall be liable in the amount of actual damages suffered by the transferee.

### The Six Natural Hazard Zones/Areas

California's Residential Natural Hazard Disclosure Law requires the transferor (if acting alone) or the transferor's agent to disclose to a prospective transferee if any portion of residential real property is located within any one of six designated natural hazard zones according to maps issued by the appropriate governmental agency:

<b>NATURAL HAZARD</b>	<b>⇒</b>	<b>Code Section (§) Defining the Zone/Area</b>
1. SPECIAL FLOOD HAZARD AREA	⇒	California Government Code §8589.3
2. AREA OF POTENTIAL FLOODING	⇒	California Government Code §8589.4/.5
3. VERY HIGH FIRE HAZARD SEVERITY ZONE	⇒	California Government Code §51178
4. WILDLAND -STATE RESPONSIBILITY AREA	⇒	California Public Resources Code §4125
5. EARTHQUAKE FAULT ZONE	⇒	California Public Resources Code §2622
6. SEISMIC HAZARD ZONE	⇒	California Public Resources Code §2696

For more detailed information regarding these zones/areas, please see the section below entitled "The Six Natural Hazard Areas/Zones."

### Statutory Disclosure Form(s)

The Residential Natural Hazard Disclosure Law specifies the required disclosures are to be made pursuant to a specific form set forth in Civil Code §1103.2(a). This form is commonly referred to the "Natural Hazard Disclosure Statement." This form is to be completed and executed by the property transferor, the transferee, and their respective agents. Another statutory form, "Local Option Real Estate Transfer Disclosure Statement," should be completed and executed by the same parties with respect to certain disclosures if and when mandated by local ordinance.

*For more information, copies of applicable statutes may be obtained at your local law library or on the Internet at <http://www.leginfo.ca.gov/calaw.html>.*

## THE SIX NATURAL HAZARD AREAS/ZONES

### Special Flood Hazard Area (California Government Code §8589.3; 42 U.S.C. §4001 *et seq.*)

Federal law requires the Federal Emergency Management Agency ("FEMA") to compile Flood Insurance Rate Maps ("FIRM") identifying areas of potential flooding from natural sources. Property located with a special flood hazard area ("SFHA"), designated as any Zone "A" or "V" on such maps, is subject to a one percent (1%) or greater chance of complete or partial flooding in any given year. FEMA defines this type of flood as the "base flood" which is more commonly known as a "100 year flood." A 100 year flood has a 26% chance of occurring during any 30 year period.

- Civil Code §1103.2(c) states that a transferor or transferor's agent MAY mark "No" on the SFHA component of the NHDS if FEMA has issued a Letter of Map Amendment ("LOMA") confirming that the property is no longer within a SFHA, even if the FIRM has not yet been updated. Seller must attach a copy of the LOMA to the NHDS.
- Civil Code §1103.2(d) states that a transferor or transferor's agent MUST mark "Yes" on the SFHA component of the NHDS if FEMA has issued a Letter of Map Revision ("LOMR") confirming that the property is within a SFHA and the location of the LOMR has been posted by appropriate local agencies, even if the FIRM has not yet been updated. Seller must attach a copy of the LOMR to the NHDS.
- Federal law (42 United States Code 4001 *et seq.*) requires lienholders of structures determined to be within a SFHA have adequate flood insurance coverage in place from either (1) the National Flood Insurance Program ("NFIP") which is administered by the Federal Insurance Administration ("FIA"), or (2) any licensed property/casualty insurance agent or any private insurance company that are writing flood insurance agreements with the FIA. In communities that participate in the NFIP, federally insured or regulated lenders require flood insurance for mortgages and other loans secured by structures located in a SFHA.
- A parcel of property located outside a SFHA may still be subject to severe flooding. FEMA reports that 20% to 25% of all flood insurance claims come from owners of property located outside of a SFHA.
- In both NFIP and non-participating communities, a lender has the discretion to require the purchase of flood insurance even if a property is not located within a SFHA.
- For ways to protect a house from flooding, refer to FEMA Publication 312, "Homeowner's Guide to Retrofitting."

**For more information, please contact FEMA or visit their official website at [www.fema.gov](http://www.fema.gov)**

### Area of Potential Flooding (California Government Code §8589.4/.5)

Local governmental agencies, utilities, and owners of a designated dam are required to prepare and submit inundation maps for review and approval by the California Office of Emergency Services ("OES"). These maps show areas of potential flooding in the event of sudden or total failure of any dam, failure of which would result in death or personal injury; however, these maps do not identify areas of potential flooding resulting from storms and other causes. The OES is required to review and approve maps that have been prepared and submitted to ensure that the maps meet all requirements before providing approved copies to appropriate public safety agencies of any local jurisdiction likely to be affected so that emergency procedures can be adopted for the evacuation and control of populated areas.

- OES has yet to review and submit approved maps for numerous dams to local authorities.
- Dam inundation maps depict a best estimate of water flow in the event of dam failure. Projected water flow is based on a scenario in which a full reservoir completely empties itself and does not account for run-off from other sources. These maps, most of which were created in the 1970's, do not employ newer assumptions and map-making methods.
- A property located outside an area of potential flooding may still be subject to severe flooding from other causes.

**For more information, please contact the OES in Sacramento or visit their official website at [www.oes.ca.gov](http://www.oes.ca.gov)**

### Very High Fire Hazard Severity Zone (California Government Code §51178)

Designated by the Director of the California Department of Forestry and Fire Protection ("CDFFP"), a Very High Fire Hazard Severity Zone ("VHFHS Zone") is defined as real property not deemed to be a state responsibility pursuant to Public Resources Code §4125 *et seq.* Based on consistent statewide criteria and the severity of the fire hazard expected to prevail, VHFHS Zones are designated by fuel loading, slope, fire weather, and other factors. Designation allows identification and implementation of measures to retard the rate of spread and reduce the potential intensity of uncontrolled fires.

- Government Code §51179 allows a "local agency" (defined as a city, county, city and county, or district responsible for fire protection within a VHFHS Zone), at its discretion, to make changes to the VHFHS Zone boundaries that may not be reflected on maps released by the CDFFP. For more information on this provision, please contact your local agency.
- Any person who owns, leases, controls, operates, or maintains any occupied dwelling or occupied structure in, upon, or adjoining any land that is covered with flammable material and located within a VHFHS Zone has certain statutory duties of property maintenance. Please refer to Government Code §51182 *et seq.* for more information.

**For more information, contact your local fire protection agency, the CDFFP, or visit the official CDFFP website at [www.fire.ca.gov](http://www.fire.ca.gov)**

### **Wildland - State Responsibility Area (California Public Resources Code §4125 et seq.)**

The State Board of Forestry classifies all lands within the State of California based on factors such as cover, beneficial use of water from watersheds, probable damage from erosion, and fire risks and hazards to determine those areas for which the financial responsibility of fire prevention and suppression is primarily the responsibility of the State. Fire prevention and suppression in all areas which are not within a Wildland - State Responsibility Area ("WSRA") is primarily the responsibility of the local or federal agencies, as applicable.

For property located within a WSRA, a transferor must also disclose that:

1. there may be substantial forest fire risks and hazards;
2. except for property located within a county which has assumed responsibility for prevention and suppression of all fires (California Public Resources Code §4129), it is NOT the state's responsibility to provide fire protection services to any building or structure located within wildlands unless the Department has entered into a cooperative agreement with a local agency (California Public Resources Code §4142); and
3. the property owner is subject to the imposition of fire mitigation measures which may substantially impact and limit construction and remodeling of improvements and landscaping (California Public Resources Code §4291).

WSRAs include lands which are:

- covered wholly or in part by forests or by trees producing or capable of producing forest products.
- covered wholly or in part by timber, brush, undergrowth, or grass, whether of commercial value or not, which protect the soil from excessive erosion, retard runoff of water or accelerate water percolation, if such lands are sources of water which is available for irrigation or for domestic or industrial use.
- in areas principally used or useful for range or forage purposes and are contiguous to the lands described above.

WSRAs do not include lands which are:

- owned or controlled by the federal government or any agency of the federal government.
- within the exterior boundaries of any city, except a city and county with a population of less than 25,000 if, at the time the city and county government is established, the county contains no municipal corporations.
- located within the State but do not come within any of the classes specifically described as being included.

*For more information, contact your local fire protection agency, contact the CDFFP, or visit the official CDFFP website at [www.fire.ca.gov](http://www.fire.ca.gov)*

### **Earthquake Fault Zone (California Public Resources Code §2622)**

The Alquist-Priolo Special Studies Zones Act of 1972, renamed the "Alquist-Priolo Earthquake Fault Zoning Act" in 1994 ("A-P Act"), regulates development and construction of buildings intended for human occupancy so as to mitigate hazards associated with surface fault rupture and/or fault creep. State law requires the disclosure of only active faults known to date and delineated on Earthquake Fault Zone ("EF Zone") (also known as "Special Study Zone") maps approved by the State Geologist. "Active" faults are classified by the State Mining and Geology Board as those having surface displacement within about the last 11,000 years. EF Zones vary in size, but average one-quarter mile in width (*i.e.*, the "typical" zone boundaries are set back approximately 660 feet on either side of the fault trace).

- California Public Resources Code §2624 allows cities and counties to establish policies and criteria stricter than those set by the State respecting, but not limited to, permitting, development, and mapping of EF Zones.
- A property that lies partially or entirely within a designated EF Zone may be subject to requirements for site-specific geologic studies and mitigation before any new or additional construction may take place. If an active fault is found on a property, structures generally will not be allowed to be constructed within 50 feet of the fault trace.
- Information on EF Zone maps is not a sufficient substitute for geologic and geotechnical site investigations.
- The A-P Act applies to new or renewed construction and development projects, including all divisions of land as well as most structures intended for human occupancy. Certain types of structures and developments are excluded, and exemptions may be granted, but such an exclusion or exemption does not excuse or limit disclosure obligations.

*For more information, contact the California Department of Conservation, California Geological Survey in Sacramento, San Francisco, or Los Angeles, or visit their official website at [www.consrv.ca.gov](http://www.consrv.ca.gov)*

### **Seismic Hazard Zone (California Public Resources Code §2696)**

The Seismic Hazards Mapping Act ("SHM Act") requires the State Geologist to map areas subject to seismic hazards such as strong ground shaking, liquefaction, landslides, or other ground failure or other seismic hazards caused by earthquakes. The location and severity of seismic hazards resulting from earthquakes are based on technical evidence subject to debate among specialists. An earthquake capable of causing liquefaction or triggering a landslide may not uniformly affect all areas within a Seismic Hazard Zone ("SH Zone").

- California Public Resources Code §2698 allows cities and counties to establish policies and criteria stricter than those set by the State respecting, but not limited to, permitting, development, and mapping of SH Zones.
- A property that lies partially or entirely within a designated SH Zone may be subject to requirements for site-specific geologic studies and mitigation before any new or additional construction may take place.

Property Address: TR 14922 (Chula Vista Tract No. 92-02A), LOT 37  
362 BRYAN POE DRIVE, CHULA VISTA, CA 91914

- Information on SH Zone maps is not a sufficient substitute for geologic and geotechnical site investigations.
- Although property within a SH Zone should not be automatically excluded from development, a SH Zone is an area where the potential for damage from seismic hazards is great enough to make it prudent to conduct geologic investigations to identify and mitigate hazards prior to development.

*For more information, contact the California Department of Conservation, California Geological Survey in Sacramento, San Francisco, or Los Angeles, or visit their official website at [www.consrv.ca.gov](http://www.consrv.ca.gov)*

**TERMS, CONDITIONS, AND LIMITATIONS ON LIABILITY**

**SECTION 1. Definition of Terms**

<b>TERM</b>	<b>DEFINITION</b>
<b>Buyer</b>	The party acquiring the interest in the Property directly from the Seller as a result of the Transaction ("Original Buyer"). The term "Buyer" shall also be deemed to include, as applicable, (a) anyone who receives the Property as a result of the death of the Original Buyer by operation of law, and (b) the trustee or successor trustee of a trust in which the Original Buyer is the trustor/settlor to whom the Property is transferred by the Original Buyer after the Effective Date.
<b>Company</b>	The Company as specified (with its address) on the Information Page of this PDR.
<b>Damages Limit</b>	The limitation on liability under this PDR as defined in Section 7 ("Limitation on Damages") below.
<b>Effective Date</b>	The date on which the Transaction is consummated.
<b>Information Page</b>	The first page of this PDR which (a) identifies the Company; the PDR Date; and the Property; and (b) contains the name and address of who received this PDR.
<b>PDR</b>	This Property Disclosure Report ("PDR") which consists of (a) Information Page, (b) <u>Schedule A</u> ("Natural Hazard Disclosure Summary"), (c) <u>Schedule B</u> ("Summary of Additional Disclosures"), (d) "Information on Natural Hazard Disclosures," and (e) these "Terms, Conditions, and Limitations on Liability."
<b>PDR Date</b>	The date specified on the Information Page as of which the information in the PDR Summaries was obtained from the Public Records.
<b>PDR Summaries</b>	<u>Schedule A</u> ("Natural Hazard Disclosure Summary") and <u>Schedule B</u> ("Summary of Additional Disclosures"), both of which contain information about the specified Risk Elements for the Property as disclosed by the Public Records as of the PDR Date in compliance with the Reporting Standards.
<b>Property</b>	The real property identified on the Information Page provided either (i) a residential structure consisting of not more than four dwelling units is located on such real property, or (ii) the real property is zoned as of the PDR Date for residential use for not more than four dwelling units. The term "Property" does not include any interests beyond the lines described or referred to on the Information Page, nor any right, title, interest, estate or easement in abutting streets, alleys, or other rights of way, or water, watercourses, or waterways. The term "Property" may consist of more than one legal parcel if (1) each individual parcel is assigned an assessor's parcel number that is identified on the Information Page or on an addendum to this PDR; (2) parcels are contiguous; and (3) parcels are transferred between the same Buyer and same Seller in the same Transaction.
<b>Public Record(s)</b>	The records, data, or maps specified by the applicable governmental agency and which are publicly available as of the PDR Date and specified in the PDR Summaries.
<b>Recipient</b>	The Seller, Buyer, and each of their respective licensed real estate agents and brokers involved in the Transaction. This term does not include any third party.
<b>Reporting Standards</b>	The standards set forth in Section 6 below which are used for the reporting of the Risk Elements for the Property.
<b>Residential Natural Hazard Disclosure Law</b>	California Civil Code §1103 <i>et seq.</i>
<b>Risk Element</b>	Each specified risk element disclosed by the Public Records identified in the PDR Summaries which was reported in accordance with the Reporting Standards.
<b>Seller</b>	The owner of the Property interest involved in the Transaction on the PDR Date.
<b>Transaction</b>	The transaction between the Seller and the Buyer whereby on the Effective Date the Buyer acquires an interest in the Property as a result of the sale, exchange, installment land contract, lease with option to purchase, option to purchase, or ground lease coupled with the improvements.

**SECTION 2. PDR Assurances and When the PDR is Effective.**

As of the PDR Date, this PDR accurately discloses the Risk Elements in the PDR Summaries for the Property in compliance with the Reporting Standards. This PDR shall be effective as of the Effective Date provided that (1) the fee for this PDR has been paid to the Company within thirty (30) days of the close of escrow, and (2) the Transaction was consummated. **RECIPIENT IS ADVISED TO CONTACT THE COMPANY PRIOR TO THE CLOSE OF ESCROW TO VERIFY THE CURRENCY OF THIS PDR.**

**"TERMS, CONDITIONS, AND LIMITATIONS ON LIABILITY" CONTINUE ON NEXT PAGE.**

**SECTION 3. This PDR is NOT an Insurance Policy.**

This PDR is NOT AN INSURANCE POLICY. THIS PDR IS NOT A SUBSTITUTE FOR THE BUYER OBTAINING PROPERTY & CASUALTY INSURANCE POLICIES which will provide coverage against losses incurred as a result of earthquakes, fires, flooding, environmental hazards, or any other kind of risks associated with the Property. If Recipient wishes to obtain insurance for physical risks to the Property, various forms of coverage are available from private and public sources, such as fire or environmental insurance through private insurance carriers, flood insurance through the National Flood Insurance Program, and earthquake insurance through the California Earthquake Authority.

**SECTION 4. No Third-Party Reliance.**

This PDR may be relied upon only by the Recipient within the limitations specified herein. This PDR may not be relied upon by any person or entity other than Recipient without the express written consent of the Company. Recipient shall not take any action that may induce a third party to rely on the information in this PDR.

**SECTION 5. Other Information Within the Knowledge of the Company.**

The Recipient recognizes that while it is possible the Company may have knowledge of other facts concerning the Property, the Company is under no duty or responsibility to disclose such information to the Recipient.

**SECTION 6. PDR REPORTING STANDARDS.**

**6.1. This PDR is a Public Records Disclosure Report ONLY.**

This PDR is a Public Records disclosure report designed to assist the Seller of the Property and the Sellers' agent to comply with those disclosure requirements as specified in the Residential Natural Hazard Disclosure Law and other specified laws. This PDR (a) may not satisfy disclosure obligations under other laws applicable to the transfer of the Property, and (b) does not disclose the specific or actual condition or character of the Property.

**6.2. This PDR is NOT Based Upon an Inspection of the Property.**

This PDR is NOT based upon an inspection of the Property and should not be used as a substitute for (1) appropriate inspection(s) conducted by a qualified professional, (2) geologic, geotechnical, or other reports required by governmental agencies, or (3) any other inspections or reports required by applicable laws in connection with the transfer of residential real property.

**6.3. Maps Are NOT a Part of this PDR.**

Maps that may be attached to this PDR are provided as an accommodation only and are NOT a part of this PDR. The locations of zones, areas, districts, the Property, and other information depicted on any maps, are APPROXIMATIONS ONLY. Recipient should rely only upon the reporting of the Risk Elements for the Property as set forth in the PDR Summaries.

**6.4. Public Records Used as the Basis for this PDR and Disclosure as to the Property.**

This PDR was prepared based upon a review of ONLY those Public Records specifically cited in the PDR Summaries. The Company makes no representation or warranty regarding the accuracy, completeness, validity, reliability, integrity, or accessibility of any Public Records used to prepare this PDR, nor does the Company assume any responsibility for any other information provided or not provided by the Seller, third parties or the Public Records.

**6.5. The Public Records MAY Change After the PDR Date.**

From time to time the Public Records released and made publicly available by appropriate authorities are modified and, therefore, information regarding the location of the Property with respect to the Risk Element may change. **The Company has no obligation to advise Recipient(s) of a change in the Public Records or to update the information in this PDR after the PDR Date.** The Residential Natural Hazard Disclosure Law states that a transferor or transferor's agent acting in compliance with California Civil Code §1103.2 is not required to notify to a transferee if the information provided subsequently becomes inaccurate as a result of governmental action, map revision, changed information, or other act of occurrence, unless the transferor or agent has actual knowledge of the inaccuracy.

**6.6. NATURAL HAZARD DISCLOSURES.**

**A. "Property-Specific" versus "Structure-Specific" Reporting Standard.**

California's Residential Natural Hazard Disclosure Law is "property-specific." Therefore, if any portion of the Property is located within a specified natural hazard zone/area, then the entire Property is regarded as being located in that zone/area. This is different from the "structure-specific" standard for flood zone determinations under the National Flood Insurance Program which only identifies if the structure or mobile home on the Property is located within a special flood hazard area.

**B. Reporting of Risk Elements for Condominium Projects, Planned Unit Developments, and Other Properties with Common or Undivided Interests.**

Because California's Residential Natural Hazard Disclosure Law requires disclosure if any portion of the Property is located within a specified natural hazard area/zone, "Yes" must be marked on the natural hazard disclosure statement if any portion of such a condominium project, planned unit development, or common area is located within a specified hazard area/zone, even if the primary lot comprising the Property is not directly affected by or located within the same hazard area/zone.

**"TERMS, CONDITIONS, AND LIMITATIONS ON LIABILITY" CONTINUE ON NEXT PAGE.**

**C. Reporting of Risk Elements for Multiple Parcel Transactions.**

A PDR may be issued for a Property with multiple legal parcels so long as all parcels (1) are assigned a valid assessor's parcel number that is identified on the Information Page or on an addendum to this PDR; (2) are contiguous; and (3) are transferred between the same Buyer and same Seller in the same Transaction. Therefore, if one or more of said parcels constituting the Property is located within a specified Risk Element, then all parcels identified shall be considered to be affected by this Risk Element.

**D. Location of a Property Relative to a Specified Natural Hazard Zone.**

The fact that the Property is located outside of a natural hazard area/zone according to the Public Records does not necessarily mean that the Property may not be subject to the effects of that natural hazard. Regardless of the Property's location with respect to a given natural hazard area/zone, the potential risk associated with such a natural hazard should be assessed and appropriate measures should be considered to minimize the impact of that natural hazard on the Property.

**E. Reasonableness Standard.**

If the Public Record for a Risk Element is not of sufficient accuracy or scale that a reasonable person can determine if the Property is within the Risk Element area or zone, "yes" will be marked for that Risk Element in the PDR Summaries.

**F. Specific Reporting Practices regarding the Risk Element Information.**

**A. Special Flood Hazard Area (California Government Code §8589.3)**

Federal law established the Federal Emergency Management Agency ("FEMA") to compile Flood Insurance Rate Maps ("FIRM") identifying areas of potential flooding from natural sources. FIRMs specify certain "zones" and are commonly used to determine requirements for flood insurance. Any type of zone "A" or "V" is classified by FEMA as a special flood hazard area ("SFHA"). Federal law mandates flood insurance if any part of the structure is located within a SFHA. However, the Residential Natural Hazard Disclosure Law mandates disclosure if any portion of the residential property is located within a SFHA. **Therefore, even though a property may not be deemed to be located within a SFHA for federal flood insurance purposes, it may be within a SFHA for disclosure purposes under the Residential Natural Hazard Disclosure Law.**

If the Property has been (a) excluded from the applicable FIRM due to a Letter of Map Revision ("LOMR"); or (b) included in the applicable FIRM due to a Letter of Map Amendment ("LOMA"), and the LOMR or LOMA has been provided to the Company, then this PDR will indicate the appropriate answer on Schedule A ("Natural Hazard Disclosure Summary").

**Please note: The Company does not attach the LOMR or the LOMA to the statutory form. A copy of the LOMR or LOMA must be attached to the statutory disclosure form by the Seller or the Buyer must request that it be provided by the Seller.**

**B. Area of Potential Flooding (California Government Code §8589.5)**

The California Office of Emergency Services ("OES") provides the official maps with respect to areas of potential flooding under California Government Code §8589.4 but has yet to review and submit approved maps for numerous dams. Please note: (1) although dams may exist, if maps regarding a specific dam are not a part of the OES information, then this PDR may not reference all dams within an area of potential inundation for the Property; (2) if a map in the OES records shows areas of potential flooding, whether or not the map has been formally marked "approved" by the OES, the area is reported in this PDR as being within a potential flood area; and (3) although federal dams are not subject to state laws, the federal authorities have voluntarily provided maps or information for some dams and to the extent such information is part of the OES official records, the information on those dams is reported in this PDR.

**C. Earthquake Fault Zone (California Public Resources Code §2622)**

California's Residential Natural Hazard Disclosure Law requires the disclosure of only those faults known to date that are classified as "active" by the State Geologist and delineated on Earthquake Fault Zone or Special Study Zone maps issued by the California Department of Conservation, California Geological Survey ("CGS"). However, such maps have only been created and approved for a portion of California. Therefore, if there is no official map for the area of the Property, the Earthquake Fault Zone element of the Schedule A ("Natural Hazard Disclosure Summary") will be marked "No."

**D. Seismic Hazard Zone (California Public Resources Code §2696)**

California's Residential Natural Hazard Disclosure Law also requires the disclosure of seismic hazard zones identified on official seismic hazard zone maps issued by the California Department of Conservation, California Geological Survey ("CGS") as compiled by the State Geologist in compliance with California Public Resources Code §2696. These maps identify areas of potential liquefaction and areas of potential earthquake-induced landslides. Please note: (1) because official seismic hazard zone maps are currently available only for selected portions of the Bay Area and Southern California, "Maps Not Available" will be marked in the Seismic Hazard Zone Risk Element of the PDR Summary if the Property is located in an area for which there is no official map; (2) currently available official maps that include coastal communities do not identify potential areas of tsunami or seiche; and (3) CGS advises that "seismic hazard zones identified on these maps may include developed land where delineated hazards have already been mitigated to city or county standards. Check with your local building/planning department for information regarding the location of such mitigated areas."

**"TERMS, CONDITIONS, AND LIMITATIONS ON LIABILITY" CONTINUE ON NEXT PAGE.**

**6.7 Additional Disclosures**

Any additional disclosures contained in the Schedule B are subject to the Reporting Standards set forth in Schedule B with that specific disclosure.

**SECTION 7. Limitation on Damages—PLEASE READ CAREFULLY**

Recipient recognizes that the fee charged for this PDR is not of a magnitude or in the nature of an insurance premium and does not cover the potential liability associated with any such risks. Therefore, as part of the consideration for this PDR, each Recipient understands and agrees to the following damage limitations (“Damages Limit”):

- (a) the Company's liability to the Recipient shall only be for losses and damages suffered by that Recipient which are a direct result of any material error or omission contained in this PDR and shall be limited to the LESSER OF: (1) actual provable damages measured by diminution in the fair market value or fair rental value of the Property as of the Effective Date suffered by the Recipient as a result of such error, or (2) TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000.00); and
- (b) the Company shall not be liable for indirect, special, consequential, multiple, exemplary, or punitive damages (including but not limited to, personal injury, property damage, etc.) or other type of damage not listed and described in subparagraph (a) of this provision.

The Damages Limit shall apply to any and all claims, actions, or proceedings by Recipient(s) regardless of whether (i) this PDR contains multiple errors or omissions, (ii) the Property identified in this PDR consists of more than one parcel, and/or (iii) there is more than one Recipient. In no event shall the Company be liable for more than the Damages Limit on a cumulative basis for any and all claims made by any or all Recipients under this PDR. Each Recipient acknowledges that the Company shall have no responsibility or liability to the Recipient for any matters known to the Recipient (including errors in this PDR) and not disclosed to all other Recipients and the Company in writing prior to the Effective Date. The Company's obligations under this PDR shall not be affected or reduced as to the Recipient who has no knowledge of any such information which is not disclosed by another Recipient. The Company shall also not be liable for loss or damages (a) incurred by reason of the delay Recipient to file a claim to the extent that such delay prejudices the right of the Company or increases the amount of damages; and (b) voluntarily assumed by the Recipient in settling any claim or suit without the prior written consent of the Company. The Company shall be subrogated to any and all rights that the Recipient may have against any other person or entity (including any other Recipient) and such Recipient shall be obligated to cooperate with the Company in pursuing such rights.

**SECTION 8. Claims and Notices to the Company**

All claims and notices shall be sent by Recipient as soon as practicable to the Company, Attn.: Legal Department. All claims must be initiated in a timely and efficient manner but, in no event, more than six (6) months after the discovery by the Recipient of the alleged error, claim, breach, or omission. Failure to make such claim within this period constitutes an absolute bar to the institution of any proceeding, claim, or action against the Company.

**SECTION 9. Arbitration**

Unless prohibited by applicable law, either the Company or the Recipient may require the other party to submit to binding arbitration pursuant to the commercial arbitration rules of the American Arbitration Association. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Recipient arising out of or relating to this PDR or arising from any service of the Company performed in connection with its issuance of this PDR. Arbitration shall be governed by the commercial arbitration rules in effect on the date the demand for arbitration is made and the parties shall be entitled to discovery as permitted by applicable law. Arbitration shall be binding. In no event shall the arbitration award (a) exceed the Damages Limit (defined in Section 7 above), or (b) include attorneys' fees. Judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction. California law shall apply to an arbitration under this PDR. Under no circumstances shall the parties' arbitration rights constitute a waiver of, or diminish in any way, the Damages Limit

**END OF "TERMS, CONDITIONS, AND LIMITATIONS ON LIABILITY." END OF PDR.**

Attachments can contain viruses that may harm your computer. Attachments may not display correctly.

**Provence**

**From:** Sabourin, Brian (ABA) [brian.sabourin@lwmortgage.net] **Sent:** Tue 9/23/2008 1:48 PM  
**To:** zackpeleras@gmail.com  
**Cc:** Mathew, Kelly (ABA); Provence  
**Subject:** Good Faith Estimate and Items Needed  
**Attachments:**  [Good Faith Estimate - GFE.pdf\(19KB\)](#)

Zack,

Per our conversation, I have attached a copy of the good faith estimate based on the terms we discussed.

**Please note that in order to open the attachment you will need to use the password "TAFRESHI" ALL CAPS.**

<<Good Faith Estimate - GFE.pdf>>

Also please note that we will need the following items

- Two consecutive monthly bank statements from all personal checking and savings accounts, and the most recent quarterly statements from any investment, retirement and brokerage accounts. Please provide all pages to the statements, even if there are blank pages or no pertinent information on them. We will need evidence of enough funds to cover down payment, closing costs and reasonable reserves.
- Two most recent Federal Tax returns. Please provide all exhibits, schedules, etc. of the return. We do not need State returns. Also, please provide two most recent corporate returns with all exhibits, schedules, etc.
- W-2's for 2006 and 2007 and pay stubs for the most recent 30 day period, if they exist, due to any income from salary.
- Evidence payoff of debt for B of A account.
- Business licenses for the last two years.

I will call you within the next few minutes in order to discuss the ratios and confirm loan amounts.

Thanks,

**Brian J. Sabourin**  
Branch Manager  
Liberty West Mortgage  
an affiliate of National City Bank

6333 Greenwich Drive, Suite 100-A  
San Diego, California 92122  
Office: 858/552-2120  
Ext. #248  
Fax: 858/552-2115  
E-Mail Address: [brian.sabourin@lwmortgage.net](mailto:brian.sabourin@lwmortgage.net)

# Provence by Cornerstone Communities

PAINT: FZ= FRAZEE	CERAMIC TILES & FIELD TILE: CAL. POTTERY	7	5/06/05 (CORRECTED SCHEME 1 SHUTTER COLOR)
ROOF (CONCRETE): HANSON	GROUT FOR CERAMIC TILES: CUSTOM	8	5/18/05 (REVISED STUCCO SCHEMES # 5, 8 & 9)
ROOF (ASPHALT SHINGLE): CERTAIN TEED	BUILDING PRODUCTS	9	6/3/05 (REVISED ALL SCHEMES - ADDED FRONT DOOR STAIN & FIELD TILE & GROUT COLOR)
STUCCO: EXPO ("A" ELEVS., 20/30 FINISH & "B" & "C" ELEV'S 16/20 FINISH)	WINDOWS: ALPINE WINDOWS	10	8/10/05 (ISSUED MODEL PAINTER'S BOOK TO FIELD FOR CONSTRUCTION)
BRICK: ACME, INTERPACE	STONE: ELDORADO	11	8/31/05 (ADDED WINDOW TRIM & METAL CHIMNEY CAP COLORS)
FRONT DOORS: THERMA TRU RUSTIC	MORTAR: OBP (ORCO BLENDED PRODUCTS)	12	12/14/05 (CHANGED SCHEME 1 AWNING & SCHEME 7 ACCENT TILE)
AWNINGS: SUNBRELLA		13	2/3/06 (CHANGED AWNING FABRICS)

MODELS	MODEL 2A				MODEL 3B		MODEL 1C			
SCHEME #	1	2	3	4	5	6	7	8	9	
WOODEN FASCIA / TRIM & EAVES & GARAGE DOORS	FZ 5225N MUDPIE	FZ 8715D MOOSE POINTE	FZ 8726N MOCHA BROWN	FZ 8736N LITTLE BIGHORN	FZ 8665D GRISTMILL	FZ 5380W BABY'S BREATH	FZ 5384D QUAIL	FZ 8735D WILD COUNTRY	FZ 5715N BISON	
TRIM @ WINDOWS & DOORS	FZ 5225N MUDPIE	FZ 8715D MOOSE POINTE	FZ 8726N MOCHA BROWN	FZ 5631W BRIE	FZ 181 WHITE SHADOW	FZ 5380W BABY'S BREATH	FZ CW033W FLORAL WHITE	SW 6108 LATTE	SW 6120 BELIEVABLE BUFF	
FRONT DOOR(STAIN)	DARK WALNUT	DARK ENGLISH WALNUT	DARK WALNUT	DARK ENGLISH WALNUT	DARK WALNUT	ENGLISH WALNUT	ENGLISH WALNUT	WALNUT	DARK ENGLISH WALNUT	
BASE STUCCO	1	57	479	362	472 3/4	3794 3/4	475 3/4	3935	387 D/C	
STUCCO PAINT MATCH	FZ 001 WHITE	FZ CW033W FLORAL WHITE	FZ 5631W BRIE	FZ 8233M CRISP KHAKI	FZ 8672W TEQUILLA	FZ 8224M BALSAM BARK	FZ 544 FLAGSTONE	FZ 8223M SIENNA SAND	SW 6123 BAGUETTE	
PAINT MATCH FOR PRE CAST ORNAMENTATION SHUTTERS	FZ 8683W TINDERBOX	FZ 8713W KINDLING WOOD	FZ 8673M TAVERN TAUPE	FZ 5631W BRIE	FZ 181 WHITE SHADOW	FZ 5380W BABY'S BREATH	FZ CW033W FLORAL WHITE	SW 6108 LATTE	SW 6120 BELIEVABLE BUFF	
METAL CHINEY CAPS	FZ 5225N MUDPIE	BM HC 109	FZ 8656N GREEK OLIVE	FZ 8736N LITTLE BIGHORN	FZ 8826N MANGANESE	SW 7040 SMOKEHOUSE	FZ 5395A DELTA	FZ 8816N BURNT HICKORY	FZ 5635N EARL GRAY	
AWNINGS	4631 BURGUNDY (SOLID)	4971 LAKEWOODLAND (STRIPE)	4831 BURGUNDY (SOLID)	4949 FOREST VINTAGE (STRIPE)	4640 BLACK CHERRY (SOLID)		4972 LANKFORD WILLOW (STRIPE)			
CERAMIC ACCENT TILES ("A" ELEV.S.)	FD 109	FD 115	FD 208	FD 104	FD 194		FD 199			
FIELD TILE	121	91	121	27	126		24			
GROUT	380 HAYSTACK	135 MUSHROOM	105 EARTH	45 SUMMER WHEAT	335 WINTER GRAY		382 BONE			
BRICK				INTERPACE CALEDONIA	ACME TRENTON ESTATE	ACME COUNTRY FRENCH	ACME MOSSY ROCK	ACME CASTLEROCK	ACME OLDE TOWNE	
MORTAR COLOR & APPLICATION				OBP LT KHAKI SPONGE FINISHED	OBP SOFT WHITE SPONGE FINISHED	OBP LT KHAKI SPONGE FINISHED	OBP LT KHAKI SPONGE FINISHED	OBP LT KHAKI SPONGE FINISHED	OBP LT KHAKI SPONGE FINISHED	
STONE							MESETA FIELD LEDGE	VENETO FIELD LEDGE	LUCERA HILLSTONE	
MORTAR COLOR & APPLICATION							OBP LT KHAKI SPONGE FINISHED	OBP LT KHAKI SPONGE FINISHED	OBP LT KHAKI SPONGE FINISHED	
WINDOWS	TAN	WHITE	TAN	TAN	WHITE	WHITE	WHITE	TAN	TAN	
ROOF "S" ("A" & "C" ELEV.)	R-536	R-582	R-583	R-583	R-550		R-532	R-536	R-582	
ROOF "B" ELEV. ASPHALT SHINGLE W/ BARREL TILE ON HIPS & RIDGES				WEATHERED WOOD R-532	DRIFTWOOD R-550	HEATHER BLEND R-550				

NOTES: ALL WROUGHT IRON TO MATCH OR TO BE PAINTED FZ 8786N IN A MATTE FINISH  
 ALL FAUX CLAY PIPES TO MATCH FZ 8285A - MONK'S HOOD  
 PAINT MATCH FOR BASE STUCCO: USED FOR EXTERIOR SHEET METAL FLASHING, UTILITY VENTS, GARAGE EXIT DOOR & JAMB & UTILITY BOXES