

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

**FINAL SUBDIVISION PUBLIC REPORT  
CONDOMINIUM**

*In the matter of the application of*

**LENNAR HOMES OF CALIFORNIA, INC.,  
A CALIFORNIA CORPORATION**

**FILE NO.: 168134LA-FOO**

**ISSUED: JANUARY 26, 2022**

**EXPIRES: JANUARY 25, 2027**

*for a Final Subdivision Public Report on*

**TRACT NO. 37178**

**"THE TOWNES AT MENIFEE TOWN CENTER"  
UNITS 195-218**

DEPARTMENT OF REAL ESTATE

by Kim C. Banfal  
Signature

**RIVERSIDE COUNTY, CALIFORNIA**

**KIM C. BANFAL**  
Printed Name

**CONSUMER INFORMATION**

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

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

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

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

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

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**COMMON INTEREST DEVELOPMENT  
GENERAL INFORMATION**

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***Common Interest Development***

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

***Governing Instruments***

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

***Assessments***

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

***Common Facilities***

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

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

***Subdivider Control***

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

***Cooperative Living***

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

***Informational Brochure***

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

THIS REPORT FOR THE TOWNES AT MENIFEE TOWN CENTER (“**THE TOWNES**”) COVERS UNITS 195 THROUGH 218 ON A PORTION OF LOT 1 OF TRACT NO. 37178.

THE TOWNES IS A CONDOMINIUM PROJECT BEING BUILT BY LENNAR HOMES OF CALIFORNIA, INC., A CALIFORNIA CORPORATION (“**SUBDIVIDER**”) AND IS PART OF THE OVERALL MIXED-USE MASTER PLANNED DEVELOPMENT KNOWN AS MENIFEE TOWN CENTER WHICH IS BEING DEVELOPED BY STARK MENIFEE LAND, LLC, A WISCONSIN LIMITED LIABILITY COMPANY (“**MASTER DECLARANT**”).

### **SPECIAL INTEREST AREAS IN THIS FINAL SUBDIVISION PUBLIC REPORT**

YOUR ATTENTION IS ESPECIALLY DIRECTED TO THE PARAGRAPH(S) BELOW ENTITLED: MAINTENANCE AND OPERATIONAL EXPENSES AND TITLE.

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

### **CONDITIONAL SUBDIVISION PUBLIC REPORT**

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

### **PRELIMINARY SUBDIVISION PUBLIC REPORT**

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

**BEFORE SIGNING, YOU SHOULD READ AND THOROUGHLY UNDERSTAND THE PURCHASE AGREEMENT AND ALL LOAN DOCUMENTS. IF YOU DO NOT UNDERSTAND THE TERMS OF YOUR PURCHASE AGREEMENT OR LOAN DOCUMENTS, YOU MAY WISH TO CONSIDER CONSULTING WITH YOUR OWN**

**ATTORNEY BEFORE ENTERING INTO AN AGREEMENT TO PURCHASE THE PROPERTY.**

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

**OVERVIEW OF MENIFEE TOWN CENTER**

Menifee Town Center, located one-quarter mile west of Interstate 215 in the City of Menifee, will be the community core for the City of combining civic, hotel, residential, education, recreation, entertainment and commercial uses to form a landmark project, delivering a unique pedestrian-oriented and urban experience with access to state-of-the art amenities. The project consists of approximately 649 single family homes, 330 multifamily residences and 1,075,000 square feet of commercial development on 200 acres. Menifee Town Center is also planned to include neighborhood parks, paseos, and a recreation facility (described in more detail below). Menifee Town Center is being developed with homes in numerous distinct neighborhoods constructed by various homebuilders.

The actual number of homes built may increase or decrease, and commercial space may change, subject to approval by the City of Menifee. All homes in Menifee Town Center are planned to be subject to the jurisdiction of the Menifee Town Center Master Association, a California nonprofit mutual benefit corporation ("**Master Association**").

Menifee Town Center is covered by The Town Center Specific Plan approved by the City (the "**Specific Plan**"). A copy of the Specific Plan can be obtained from the City and is also available at <https://www.cityofmenifee.us/492/Specific-Plans>. Menifee Town Center, if developed as planned, will comprise a significant part of the area covered by the Specific Plan, which also includes a City hall, a Riverside County courthouse, the Santa Rosa Academy, office space, and a City owned public park. There is no assurance, however, that Menifee Town Center or any area in the vicinity of the Menifee Town Center will be developed as currently planned, or at any particular time.

There is no assurance that Menifee Town Center will be completed as proposed.

**OVERVIEW OF THE TOWNES**

**Location**

The Townes is located at La Piedra Road and Town Center Drive. Prospective purchasers should acquaint themselves with the kinds of city services available.

**Type of Subdivision**

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

## **Interests to Be Conveyed**

You will receive fee title to a specified unit, an undivided fractional fee interest as tenant in common in the Neighborhood Association Property together with a membership in The Townes at Menifee Town Center Association (“**Neighborhood Association**”) and rights to use the Association Property and a membership in the Master Association and rights to use the master common area.

## **About This Phase**

This is the sixteenth phase which consists of approximately 5.568 acres on which 4 buildings containing 24 units and two car attached garages will be constructed.

Neighborhood Association Property consisting of landscaping, walkways, lighting, mailbox, and signage, fences and walls will be constructed.

This phase is part of a total subdivision which, if developed as proposed, will consist of a total of 16 phases containing 218 units within the overall projected subdivision. The estimated completion date of The Townes is February 2022.

There is no assurance that The Townes will be completed as proposed.

## **Future Development**

Future development of The Townes or Menifee Town Center cannot be predicted with accuracy. The Subdivider or Master Declarant has the right to build more or fewer than the number of homes currently planned, change product lines, enlarge or decrease the size of homes, adding larger, smaller or differently designed models or changing (partially or in total) designs and/or materials, at any point during development.

Due to the inability to predict future market conditions with accuracy, there are no assurances that The Townes or Menifee Town Center will be built as currently planned, or pursuant to any particular build-out schedule. Topographical maps in the Welcome Home Center, lot plotting maps, maps offered by Subdivider and other forms showing “complete” The Townes or Menifee Town Center projections do not necessarily commit the Subdivider or Master Declarant to complete The Townes or Menifee Town Center, if completed, to complete The Townes or Menifee Town Center as shown. The Subdivider may sell at any time, all or any portion of the lots or units within The Townes or Menifee Town Center to any third party, including other developers or builders.

## **Sale of All Residences**

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

## **SUBDIVIDER AND PURCHASER OBLIGATIONS**

If you purchase five or more subdivision units from the Subdivider, the Subdivider is required to notify the Real Estate Commissioner of the sale. If you intend to sell your interests or lease them for terms longer than one year, you are required to obtain an amended Final Public Report before you can offer the interests for sale or lease.

**NOTE:** When you sell your units to someone else, you must give that person a copy of the Declaration of Covenants, Conditions and Restrictions for The Townes ("Neighborhood Declaration"), Master Declaration of Covenants, Conditions and Restrictions for Menifee Town Center ("Master CC&R's), Articles of Incorporation, the Bylaws and a true statement concerning any delinquent assessments, penalties, attorney's fees or other charges, provided by both Neighborhood Declaration and Master CC&R's or other management documents on the unit the date the statement was issued.

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

### **Completion of Neighborhood Association Property**

The Subdivider estimates all common area improvements, amenities, and facilities in this phase will be completed by approximately February 2022.

No escrows will close until all neighborhood association property improvements in this phase have been completed and a Notice of Completion has been filed and all claims of liens have expired. If the Subdivider has completed such improvements and the period for all claims of liens has not expired, a title policy (paid by the Subdivider) shall be issued to the Neighborhood Association containing an endorsement against all claims of liens (Section 11018.5 of the Business and Professions Code)

### **Completion of Private Streets**

The Subdivider has posted a bond in the amount of \$498,124.00 to assure completion of neighborhood association property improvements described in the Planned Construction Statement attached to the bond. The estimated completion date for these improvements is February 2022.

### **Completion of Master Common Area ("Menifee Town Center Recreation Center")**

There is a recreational center agreement between Subdivider and the Master Association for the construction of the recreational center on Parcel B of LLA 16-003. Per the terms of the agreement, Subdivider agrees to construct the recreational center, maintain the recreational center until maintenance responsibility has been accepted by the Master Association, and post a bond for the recreational facility in the amount of \$3,624,919 in favor of the Master Association.

Note: The recreation center has been conveyed to the Master Association, per the association grant deed, dated 10/23/17, recorded 11/15/17, as Document No. 2017-0477621.

### **Completion of Master Common Area Lot 1 of Tract 37178 (“Park Facility”)**

The Subdivider has completed the Park Facility as evidenced by a Notice of Completion recorded August 13, 2021 as Instrument No. 2021-0486341 in the Office of the Riverside County Recorder.

This is a phase subdivision on one lot.

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

“The Company hereby insures the insured against loss or damage which the insured shall sustain by reason of any statutory lien for labor or materials attaching to the Land, arising out of any work of improvement under construction or completed at the date of policy as to the condominium building in which the insured’s separate unit is located, and/or by reason of any statutory lien for labor or materials attaching to the Land arising out of any work or improvement within Lot No. 1 of Tract 37178 whether such improvements have been completed, are under construction or are to be constructed after the Policy Date.”

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

### **RESIDENTIAL SOLAR ENERGY PROGRAM**

**THE DEPARTMENT OF REAL ESTATE IS NOT RESPONSIBLE FOR APPROVING THE TERMS OR LANGUAGE IN THE DOCUMENTS RELATING TO THE SOLAR ENERGY PROGRAM DISCUSSED HEREIN.**

**THE SUBDIVIDER ADVISES THAT THE CALIFORNIA ENERGY COMMISSION IS AUTHORIZED TO OVERSEE THE NEW SOLAR HOMES PARTNERSHIP THAT APPLIES TO NEW HOME SOLAR INCENTIVES. ANY QUESTIONS ABOUT THE PROGRAM SHOULD BE DIRECTED TO THE CALIFORNIA ENERGY COMMISSION.**

**PURCHASERS ARE ADVISED TO REVIEW AND THOROUGHLY INVESTIGATE ALL OF THE TERMS AND POSSIBLE OUTCOMES OF PURCHASING A HOME SERVED BY THIS SYSTEM, PRIOR TO ENTERING INTO A COMMITMENT TO PURCHASE. UNDER THE SOLAR ENERGY PROGRAM, ENERGY PRODUCED BY THE SYSTEM CANNOT BE USED TO HEAT A POOL OR SPA.**

## **DESCRIPTION OF SOLAR ENERGY PROGRAM**

THIS PHASE CONSISTS OF MULTIPLE CONDOMINIUM UNITS (EACH A "HOME") LOCATED WITHIN ONE OR MORE CONDOMINIUM BUILDINGS (EACH A "BUILDING"). EACH HOME IS SERVED BY A SEPARATE SOLAR PHOTO-VOLTAIC SYSTEM AND OTHER EQUIPMENT (EACH, A "PV SYSTEM") THAT CONVERTS SOLAR ENERGY TO ELECTRICITY, INSTALLED ON THE ROOF OF EACH BUILDING. THE PV SYSTEMS ARE PROVIDED BY ANOTHER COMPANY ("SYSTEM OWNER"), NOT SUBDIVIDER. SUBDIVIDER ADVISES THAT A LENNAR COMPANY HAS AN OWNERSHIP INTEREST IN BOTH SUBDIVIDER AND SYSTEM OWNER, AND NEITHER SUBDIVIDER NOR SYSTEM OWNER HAS A DIRECT OR INDIRECT OWNERSHIP INTEREST IN THE OTHER. IF A PV SYSTEM IS OFFERED WITH YOUR HOME, YOU MUST ENTER INTO A LONG-TERM AGREEMENT FOR THE PURCHASE OF THE ELECTRICITY PRODUCED BY THAT PV SYSTEM, AS DESCRIBED IN THE SOLAR ENERGY SYSTEM ADDENDUM THAT YOU WILL RECEIVE AS PART OF THE PURCHASE AGREEMENT FOR THE HOME ("SOLAR ENERGY ADDENDUM"). THE TITLE OF THE LONG-TERM AGREEMENT IS "SOLAR 20/20 PLAN AGREEMENT AND COVENANTS" ("SOLAR PLAN AGREEMENT").

## **SOLAR PLAN AGREEMENT**

AT THE CLOSE OF ESCROW FOR EACH HOME IN THIS PHASE, YOU AND EACH OTHER BUYER IN THIS PHASE WILL BE ASKED TO READ AND SIGN A SEPARATE SOLAR PLAN AGREEMENT BETWEEN YOU, AS THE BUYER AND HOMEOWNER, AND SYSTEM OWNER.

THE SOLAR PLAN AGREEMENT FOR EACH HOME IN A BUILDING SHALL COMMENCE ON THE LATER OF (1) THE DATE ON WHICH THE PURCHASE OF THE HOME CLOSES ESCROW, OR (2) THE SINGLE DATE THAT THE VERY FIRST PV SYSTEM IN THE BUILDING BEGINS TO OPERATE. **ALL SOLAR PLAN AGREEMENTS IN A BUILDING SHALL END ON THE SAME DATE THAT IS 20 YEARS FROM THE DATE THAT THE VERY FIRST PV SYSTEM IN THE BUILDING BEGAN TO OPERATE. THUS, THE TERM OF SOME SOLAR PLAN AGREEMENTS IN EACH BUILDING MAY BE LESS THAN 20 YEARS.** THE TERM OF THE SOLAR PLAN AGREEMENTS WITHIN EACH OF THE OTHER BUILDINGS IN THE COMMUNITY WILL ALSO END ON THE SAME DATE, AND EACH OF THOSE DATES WILL BE DIFFERENT IN EACH OF THE PHASES.

DURING THE TERM OF THE SOLAR PLAN AGREEMENT, SYSTEM OWNER WILL OWN, MAINTAIN AND MONITOR THE PV SYSTEM. IF SYSTEM OWNER FAILS TO PERFORM ITS MATERIAL OBLIGATIONS UNDER THE SOLAR PLAN AGREEMENT YOU MAY TERMINATE THE SOLAR PLAN AGREEMENT, AFTER GIVING SYSTEM OWNER NOTICE AND AN OPPORTUNITY TO CURE ITS FAILURE. **EXCEPT AS PROVIDED ABOVE, DURING THE 20-YEAR TERM OF THE SOLAR PLAN AGREEMENT, THE PLAN CANNOT BE TERMINATED.**



DURING THE TERM OF THE SOLAR PLAN AGREEMENT, HOMEOWNER CANNOT ASSIGN, SELL, PLEDGE OR IN ANY OTHER WAY TRANSFER ITS INTEREST IN THE SOLAR PLAN AGREEMENT WITHOUT SYSTEM OWNER'S PRIOR WRITTEN CONSENT, EXCEPT IN CONNECTION WITH A RE-SALE OF THE HOME.

DURING THE TERM OF THE SOLAR PLAN AGREEMENT, THE HOME MAY ONLY BE RE-SOLD TO A PURCHASER WILLING TO ACCEPT AN ASSIGNMENT OF THE SOLAR PLAN AGREEMENT. **UPON SUCH A RE-SALE, HOMEOWNER MUST HAVE THE RE-SALE PURCHASER ACCEPT HOMEOWNER'S RIGHTS AND OBLIGATIONS UNDER THE SOLAR PLAN AGREEMENT BY SIGNING AN ASSIGNMENT AND ASSUMPTION AGREEMENT.**

**UNDER THE SOLAR PLAN AGREEMENT, YOU ARE REQUIRED TO PURCHASE ALL ELECTRICITY GENERATED BY THE PV SYSTEM THAT SERVES YOUR HOME, REGARDLESS OF HOW MUCH OF THAT ELECTRICITY IS CONSUMED IN YOUR HOME. YOU ARE ALSO REQUIRED TO MAINTAIN ELECTRICAL AND INTERNET CONNECTIONS TO THE PV SYSTEM. IF THE MONITORING SYSTEM IS INOPERABLE FOR ANY REASON, SYSTEM OWNER MAY CHARGE YOU FOR THE ESTIMATED AMOUNT OF GENERATED ELECTRICITY.**

NOTWITHSTANDING ANY TERMINATION OF THE SOLAR PLAN AGREEMENT, ANY AMOUNTS DUE AND PAYABLE BY EITHER PARTY AS OF THE DATE OF TERMINATION SHALL NOT BE AFFECTED AND SHALL REMAIN DUE AND PAYABLE. THE SOLAR PLAN AGREEMENT CONTAINS MANY OTHER IMPORTANT RIGHTS AND OBLIGATIONS.

**ENERGY RATE.** UNDER THE TERMS OF THE SOLAR PLAN AGREEMENT, YOU MUST PAY FOR ALL ELECTRICITY PRODUCED BY THE PV SYSTEM EACH MONTH (REGARDLESS OF HOW MUCH YOU USE), BASED ON A RATE (THE "SUNSTREET RATE") PER KILOWATT HOUR OF ELECTRICITY PRODUCED. THE ELECTRICITY PRODUCED IS NOT STORED AND IF IT EXCEEDS THE DEMAND IN THE HOME, THE ELECTRICITY IS SUPPLIED TO THE LOCAL ELECTRIC GRID FOR WHICH CURRENT LOCAL LAW ENTITLES YOU TO RECEIVE A CORRESPONDING CREDIT (REDUCTION) ON YOUR ELECTRIC UTILITY BILL, SUBJECT TO THE NET METERING LAWS APPLICABLE TO THE ELECTRIC UTILITY. THE SUNSTREET RATE IS DESCRIBED ON EXHIBIT I TO THE SOLAR PLAN AGREEMENT. THE SUNSTREET RATE MAY FLUCTUATE OVER THE TERM OF THE SOLAR PLAN AGREEMENT AS RESIDENTIAL ELECTRIC UTILITY RATES FLUCTUATE, AS DESCRIBED ON EXHIBIT I. OVER THE TERM OF THE SOLAR PLAN AGREEMENT, THE ACTUAL SUNSTREET RATE IS BASED ON A FIXED DISCOUNT FROM A BLENDED RATE CALCULATED USING THE LOCAL ELECTRIC UTILITY'S TIERED RATE STRUCTURE AND TAKING INTO ACCOUNT OTHER CHARGES AND TAXES CHARGED BY THE LOCAL UTILITY, AS WELL AS THE ESTIMATED ENERGY CONSUMPTION OF THE HOME. SUBDIVIDER AND SYSTEM OWNER DO NOT GUARANTEE ANY SPECIFIC SUNSTREET RATE. YOU SHOULD COMPARE THE

SUNSTREET RATE DESCRIBED IN THE SOLAR PLAN AGREEMENT TO APPLICABLE ELECTRIC UTILITY RATES.

BUYER IS ADVISED TO CONTACT THE LOCAL ELECTRIC UTILITY TO FIND OUT WHAT IS REQUIRED TO SECURE A CREDIT PRIOR TO ENTERING INTO THE SOLAR PLAN AGREEMENT. YOU MAY BE REQUIRED TO SIGN A FINAL CONTRACT WITH THE LOCAL ELECTRIC UTILITY AS THE CUSTOMER. YOU AGREE TO SIGN ANY SUCH REQUIRED CONTRACT AND OTHER DOCUMENTATION TO THE EXTENT REQUIRED FOR PARTICIPATION IN THE UTILITY INCENTIVES PROGRAM OF THE LOCAL ELECTRIC UTILITY OR AS MAY BE REQUIRED UNDER THE TERMS OF THE SOLAR PLAN AGREEMENT. **SUCH DOCUMENTATION MUST BE APPROVED BY THE LOCAL ELECTRIC UTILITY BEFORE THE PV SYSTEM MAY BE ACTIVATED AND THE LOCAL ELECTRIC UTILITY MAY TAKE 30 OR MORE DAYS TO ISSUE ITS APPROVAL.**

#### **OTHER DOCUMENTS**

IF YOU ENTER INTO A SOLAR PLAN AGREEMENT: (1) A **NOTICE OF AN INDEPENDENT SOLAR ENERGY PRODUCER CONTRACT**, AS REQUIRED BY CALIFORNIA LAW AND SIGNED BY YOU OR SUBDIVIDER, WILL ALSO BE RECORDED AGAINST YOUR HOME; AND (2) A **UCC-1 FINANCING STATEMENT** WILL BE FILED WITH THE CALIFORNIA SECRETARY OF STATE AND RECORDED AGAINST YOUR HOME, IN COMPLIANCE WITH CALIFORNIA LAW, TO PROVIDE NOTICE OF SYSTEM OWNER'S OWNERSHIP OF THE PV SYSTEM'S COMPONENT PARTS LOCATED ON YOUR BUILDING. ADDITIONALLY, THE ROOF OF THE BUILDING, WHICH IS OWNED BY THE HOMEOWNERS ASSOCIATION, WILL BE SUBJECT TO A GRANT OF EASEMENTS FOR SOLAR ENERGY EQUIPMENT ("**SOLAR EASEMENT**") IN FAVOR OF SYSTEM OWNER, FOR THE INSTALLATION, OPERATION, MAINTENANCE AND REMOVAL OF EACH PV SYSTEM.

**PURCHASER IS ADVISED TO THOROUGHLY INVESTIGATE ANY FEES OR OTHER MONETARY OBLIGATIONS RELATING TO ANY OF THE DOCUMENTS REQUIRED TO BE FILED UNDER THE SOLAR PLAN AGREEMENT.**

**YOU SHOULD READ THE SOLAR PLAN AGREEMENT CAREFULLY AND UNDERSTAND IT, BEFORE SIGNING IT.**

**PURCHASERS SHOULD CONSULT WITH THEIR LEGAL ADVISOR FOR A BETTER UNDERSTANDING OF THE SOLAR PLAN AGREEMENT COMMITMENT.**

#### **OTHER SOLAR ENERGY PROGRAM TERMS**

**SOLAR SHADING RESTRICTION.** UNDER THE TERMS OF THE SOLAR EASEMENT, THE SHADING OF PV SYSTEMS BY ANY TREES, OTHER LANDSCAPING, STRUCTURES OR OTHER OBJECTS IS PROHIBITED. THE SOLAR EASEMENT RESERVES TO SYSTEM OWNER A RIGHT OF ENTRY, AFTER NOTICE, TO CURE THE

SHADING OF ANY PV SYSTEM THAT IS SUBJECT TO A SOLAR PLAN AGREEMENT. THE SOLAR EASEMENT ALSO DISCLOSES THAT BECAUSE OF THE PROHIBITION AGAINST THE SHADING OF PV SYSTEMS AND THE DIMENSIONS OF THE BUILDING, THE HOME MAY NOT BE LARGE ENOUGH TO ACCOMMODATE (I) THE PLANTING OF MEDIUM OR LARGE TREES IN ANY YARD OF THE HOME, (II) THE CONSTRUCTION OF UPPER-FLOOR ADDITIONS OR ROOF-TOP STRUCTURES TO THE BUILDING, AND (III) THE GROWTH OF SOME TREES TO MATURE HEIGHT.

**ALL BUILDINGS OR LOTS IN THE TOWNES MAY NOT BE SUBJECT TO A PROHIBITION AGAINST SHADING PV SYSTEMS, WHICH MEANS THAT YOUR SYSTEM COULD BE COMPROMISED BY A NEIGHBORING BUILDING OR LOT, RENDERING YOUR PV SYSTEM INEFFECTIVE OR LESS EFFECTIVE.**

**PV SYSTEM PERFORMANCE.** THE PERFORMANCE OF PV SYSTEMS WILL VARY DEPENDING ON A NUMBER OF FACTORS WHICH ARE UNIQUE TO EACH BUILDING AND EACH PV SYSTEM. SYSTEM OWNER WILL BE RESPONSIBLE FOR METERING AND MAINTAINING THE PV SYSTEM AND WILL PROVIDE YOU WITH CUSTOMER SERVICE CONTACT INFORMATION. SUBDIVIDER ASSUMES NO LIABILITY FOR THE PERFORMANCE OF THE PV SYSTEM, INCLUDING BUT NOT LIMITED TO THE SOLAR PLAN AGREEMENT, ANY ENERGY SAVINGS, TAX BENEFITS, CASH GRANTS, REBATES, MAINTENANCE OR SERVICE.

**REMOVAL OF THE PV SYSTEM.** AT THE END OF THE 20-YEAR TERM OF THE SOLAR PLAN AGREEMENTS FOR THE BUILDING, SYSTEM OWNER OR THE HOMEOWNERS ASSOCIATION WILL REMOVE THE PV SYSTEMS AND RESTORE THE AFFECTED PORTIONS OF THE ROOF, AT THE EXPENSE OF THE HOMEOWNERS ASSOCIATION. THIS OBLIGATION IS DESCRIBED IN BOTH THE SOLAR PLAN AGREEMENT AND THE SOLAR EASEMENT. THE HOMEOWNERS ASSOCIATION WILL MAINTAIN A RESERVE FOR THIS EXPENSE OBLIGATION, FUNDED BY A SMALL, SPECIFIED PORTION OF EACH ASSESSMENT COLLECTED FROM ALL AFFECTED HOMEOWNERS.

**FOR MORE INFORMATION REGARDING SOLAR PROGRAMS SUCH AS THE ONE BEING OFFERED IN THIS PROJECT, PURCHASERS ARE DIRECTED TO THE WEBSITE [WWW.GOSOLARCALIFORNIA.CA.GOV](http://WWW.GOSOLARCALIFORNIA.CA.GOV).**

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

## **MANAGEMENT AND OPERATION**

### **Master Association Obligations and Governing Documents**

The Master Association, of which you become a member at time of purchase, is governed by and manages, maintains, and operates Menifee Town Center in accordance with the Master Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for Menifee Town Center (the “**Master CC&R’s**”), the Articles of Incorporation for Menifee Town Center Master Association (the “**Articles**”), and the Bylaws for the Menifee Town Center Master Association (the “**Bylaws**”). In addition, the Master Association has the right to adopt rules and regulations and guidelines for the subdivision which will include subdivision design/architectural guidelines which will set forth the guidelines and procedures for design/architectural review within the subdivision. There may also be Supplemental Declarations or Notices of Annexation (“**Supplemental Declarations**”) which will be recorded against portions of the subdivision which may set forth additional restrictions and easements covering the areas covered by the Supplemental Declarations. The Master CC&R’s, Articles, Bylaws, Supplemental Declarations, rules and regulations and design/architectural guidelines may hereinafter be referred to as the “**Governing Documents**”. You should review each of these documents carefully.

### **EXISTING MASTER ASSOCIATION**

SINCE THE COMMON AREA IMPROVEMENTS, AMENITIES, AND FACILITIES ARE MAINTAINED BY THE MASTER ASSOCIATION, THE MASTER ASSOCIATION MUST HOLD ELECTIONS OF THE MASTER ASSOCIATION’S GOVERNING BODY IN ACCORDANCE WITH ITS GOVERNING DOCUMENTS. THE MASTER ASSOCIATION MUST ALSO PREPARE AND DISTRIBUTE TO ALL HOMEOWNERS A BALANCE SHEET AND INCOME STATEMENT AND A SUMMARY OF THE MASTER ASSOCIATION’S RESERVES BASED UPON THE MOST RECENT REVIEW OR STUDY CONDUCTED PURSUANT TO SECTIONS 5500 ET. SEQ. OF THE CIVIL CODE.

### **The Master CC&R’s**

The Townes is subject to the Master CC&R’s recorded on September 24, 2015 as Instrument No. 2015-0423856, First Amendment to Master CC&R’s recorded November 16, 2017 as Instrument No. 2017-0481527, Supplementary Declaration of CC&R’s Designation of Phase for Menifee Town Center recorded December 28, 2021 as Instrument No. 2021-0759560 in the Office of the Riverside County Recorder.

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

### **Neighborhood Association Obligations and Governing Documents.**

The Neighborhood Association, of which you become a member at time of purchase, is governed by and manages, maintains, and operates The Townes in accordance with the Neighborhood Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for The

Townes at Menifee Town Center (the “**Neighborhood CC&R’s**”), the Articles of Incorporation for The Townes at Menifee Town Center Association (the “**Articles**”), and the Bylaws for The Townes at Menifee Town Center Association (the “**Bylaws**”). In addition, the Neighborhood Association has the right to adopt rules and regulations and guidelines for the subdivision which will include subdivision design/architectural guidelines which will set forth the guidelines and procedures for design/architectural review within the subdivision. There may also be Supplemental Declarations or Notices of Annexation (“**Supplemental Declarations**”) which will be recorded against portions of The Townes which may set forth additional restrictions and easements covering the areas covered by the Supplemental Declarations. Neighbor CC&R’s, Articles, Bylaws, Supplemental Declarations, rules and regulations and design/architectural guidelines may hereinafter be referred to as the “**Governing Documents**”. You should review each of these documents carefully.

### **EXISTING NEIGHBORHOOD ASSOCIATION**

SINCE THE COMMON AREA IMPROVEMENTS, AMENITIES, AND FACILITIES ARE MAINTAINED BY THE NEIGHBORHOOD ASSOCIATION, THE NEIGHBORHOOD ASSOCIATION MUST HOLD ELECTIONS OF THE NEIGHBORHOOD ASSOCIATION’S GOVERNING BODY IN ACCORDANCE WITH ITS GOVERNING DOCUMENTS. THE NEIGHBORHOOD ASSOCIATION MUST ALSO PREPARE AND DISTRIBUTE TO ALL HOMEOWNERS A BALANCE SHEET AND INCOME STATEMENT AND A SUMMARY OF THE NEIGHBORHOOD ASSOCIATION’S RESERVES BASED UPON THE MOST RECENT REVIEW OR STUDY CONDUCTED PURSUANT TO SECTIONS 5500 ET. SEQ. OF THE CIVIL CODE.

### **Neighborhood CC&R’s and other documents**

The Townes is subject to the Neighborhood CC&R’s recorded on February 20, 2019 as Instrument No. 2019-0057386, First Amendment to Neighborhood CC&R’s recorded on May 1, 2019 as Instrument No. 2019-0151077, a Supplementary Neighborhood CC&R’s and Designation of Phase for The Townes recorded December 28, 2021 as Instrument No. 2021-0759561, a Declaration of Solar of CC&R’s recorded on May 15, 2019 as Instrument No. 2019-0169981, a Supplemental Declaration of Solar CC&R’s recorded December 28, 2021 as Instrument No. 2021-0759563 in the Office of the Riverside County Recorder.

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

FOR INFORMATION AS TO YOUR OBLIGATIONS AND RIGHTS, YOU SHOULD READ THE MASTER CC&R’S AND OTHER DOCUMENTS. THE SUBDIVIDER MUST MAKE THEM AVAILABLE TO YOU.

## **DOCUMENTS TO BE FURNISHED**

The Subdivider stated he will not furnish the current Board of Directors of the Neighborhood Association and Master Association and each individual purchaser with the Department of Real Estate reviewed Neighborhood Association budget and Master Association budget.

The Subdivider stated that he will furnish each individual purchaser with the condominium plan.

The Subdivider must maintain and deliver to the Neighborhood Association and Master Association the specific records and materials listed in Real Estate Commissioner's Regulation 2792.23 within the stated time period. These records and materials directly affect the ability of the Neighborhood Association and Master Association to perform its duties and responsibilities (Section 11018.5 of the Business and Professions Code and Section 4800 of the Civil Code).

The Subdivider shall make a copy of the Articles, the Bylaws, and the CC&R's for Neighborhood Association and Master Association available for examination by a prospective purchaser before execution of an offer to purchase a unit. A copy of each must also be given to each purchaser as soon as practicable before close of escrow. These documents contain numerous material provisions that substantially affect and control your rights, privileges, use, obligations, and costs of maintenance and operation. You should read and understand these documents before you obligate yourself to purchase a unit (Business and Professions Code Section 11018.6).

### **MAINTENANCE AND OPERATIONAL EXPENSES FOR MASTER ASSOCIATION**

#### **Master Association to Levy Assessments**

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

#### **Proposed Master Association Base Budget**

The Subdivider has submitted a budget for the management, maintenance and operation of the Master Association obligations and for long-term reserves. This budget was reviewed by the Department of Real Estate in April 2021. Once accepted, you should obtain copy of this budget from the Subdivider. Under this budget, the monthly assessment will be \$137.00\* per acre on a total number of 128.28 acres, of which \$21.42 is a monthly contribution to long-term reserves and is not to pay for current management, maintenance and operating expenses.

\*The Townes portion of the monthly assessment to the Master Association Base Budget is \$10.54.

#### **Proposed Master Association Recreation Facility Cost Center Budget**

The Subdivider has submitted a Recreation Facility Cost Center Budget for the management, maintenance and operation of the recreation facility obligations and for long-term reserves. This Recreation Cost Center Budget was reviewed by the Department of Real Estate in April 2021. You should obtain copy of this budget from the Subdivider. Under this Recreation Cost Center Budget, the monthly assessment against each unit will be \$40.00 of which \$9.17 is a monthly contribution to long-term reserves and is not to pay for current management, maintenance and operating expenses.

YOU SHOULD BE AWARE THAT IF, AND WHEN ADDITIONAL PHASES ARE ANNEXED INTO THE MASTER ASSOCIATION, THE MONTHLY ASSESSMENTS AGAINST YOUR UNIT MAY INCREASE OR DECREASE DEPENDING UPON, AMONG OTHER THINGS, THE NUMBER OF UNITS BEING ANNEXED IN SUCH SUBSEQUENT PHASES AND WHETHER ANY ADDITIONAL MASTER COMMON AREA, MASTER MAINTENANCE AREAS, AND/OR FACILITIES ARE ALSO BEING ANNEXED AS PART OF ANY SUCH PHASES.

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

IF THE BUDGET FURNISHED TO YOU BY THE SUBDIVIDER SHOWS A MONTHLY ASSESSMENT FIGURE WHICH IS AT LEAST 20% MORE OR AT LEAST 10% LESS THAN THE ASSESSMENT AMOUNT SHOWN IN THIS PUBLIC REPORT, YOU SHOULD CONTACT THE DEPARTMENT OF REAL ESTATE BEFORE ENTERING INTO AN AGREEMENT TO PURCHASE.

## **MAINTENANCE AND OPERATIONAL EXPENSES FOR NEIGHBORHOOD ASSOCIATION**

### **Neighborhood Association to Levy Assessments**

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

### **Proposed Neighborhood Association Budget**

The Subdivider has submitted a budget for the management, maintenance and operation of the Association obligations and for long-term reserves. This budget was reviewed by the Department of Real Estate in August 2021. You should obtain a copy of this budget from the Subdivider. Under this budget, the monthly assessment against each condominium unit will be \$183.00 of which \$88.09 is a monthly contribution to long-term reserves and is not to pay for current management, maintenance and operating expenses.

IF THE BUDGET FURNISHED TO YOU BY THE SUBDIVIDER SHOWS A MONTHLY ASSESSMENT FIGURE WHICH IS AT LEAST 20% MORE OR AT LEAST 10% LESS THAN THE ASSESSMENT AMOUNT SHOWN IN THIS PUBLIC REPORT, YOU SHOULD CONTACT THE DEPARTMENT OF REAL ESTATE BEFORE ENTERING INTO AN AGREEMENT TO PURCHASE.

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

### **BUDGET INFORMATION PROVIDED BY SUBDIVIDER**

Delinquencies in the payment of Neighborhood Association and Master Association assessments affect the ability of the Neighborhood Association and Master Association to perform any or all of its responsibilities and could also result in unforeseen special assessments levied against all homes or a significant reduction in budgeted Neighborhood Association and Master Association services. The Subdivider must immediately notify the Department of Real Estate in writing if delinquent assessments have caused the Neighborhood Association and Master Association to receive ten percent (10%) less income than reflected in the then current Neighborhood Association and Master Association budgets (Regulation 2800K).

The Subdivider must make available to you a statement concerning any delinquent assessments and related charges as provided by the Governing Documents, and if available, current financial information and related statements (Business and Professions Code Section 11018.6).

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

#### **Utility Rates**



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

### **Assessment Increases/Decreases**

The Neighborhood Association and Master Association may increase or decrease assessments at any time in accordance with the procedure prescribed in the CC&R's or Bylaws. In considering the advisability of a decrease (or a smaller increase) in assessments, care should be taken not to eliminate amounts attributable to reserves for replacement or major maintenance.

### **Commencement of Assessments**

Regular assessments for the Neighborhood Association and Master Association will commence on all units in this phase covered by this Public Report on the first day of the month following the conveyance of the first subdivision unit in this phase. The Subdivider must pay assessments to the Neighborhood Association and Master Association for all unsold units in this phase (Regulations 2792.9 and 2792.16).

### **Failure to Pay**

The remedies available to the Neighborhood Association and Master Association against owners who are delinquent in the payment of assessments are set forth in the Neighborhood CC&R's and Master CC&R's. These remedies are available against the Subdivider as well as against other owners.

### **Subdivider's Assessment Security**

The Subdivider has posted a bond as partial security for the obligation to pay these assessments. The governing body of the Neighborhood Association and Master Association should assure itself that the Subdivider has satisfied these obligations to the Neighborhood Association and Master Association with respect to the payment of assessments before agreeing to a release or exoneration of the security.

## **USES/ZONING/ HAZARD DISCLOSURES**

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

North: Public park

East: School/residential  
South: Flood control channel/commercial  
West: Multi family

### **Water Quality Management Requirements and Post-Construction Best Management Practices**

The Townes is subject to a Water Quality Management Plan ("Plan") required by the California State Water Quality Control Board and local government. Generally, the Plan imposes requirements for the design, implementation and maintenance of Best Management Practices ("BMPS"), which are intended to prevent the discharge of anything other than water into private and public storm drains during and after construction of subdivision. The requirements imposed by the Plan are in addition to any requirements imposed by local ordinances concerning discharges into storm drains.

The Plan also imposes post-construction requirements on both the Neighborhood Association and all owners in the subdivision. The Neighborhood Association and all owners, as well as their respective contractors and agents, are required to comply with all BMPS to prevent the discharge of anything other than water (including, without limitation, soil, sand, sediment, oil, gasoline and other hydrocarbons, paint, fertilizers, pool chemicals and other household chemicals) into the storm drains located in the subdivision. For example, many BMPS are common practices utilized in our daily activities, such as 1) insuring that irrigation water is properly applied to landscape, not the sidewalk and gutters; 2) requiring that sandbags be placed around soil and sod when installing landscaping in order to prevent run-off into the storm drains; 3) when fertilizing landscaping, measures must be taken to prevent over-watering the landscaping to ensure that fertilizer and other lawn chemicals do not run into the storm drains; and 4) using dry clean-up methods (e.g., kitty litter) instead of hosing down "spillage" into the gutter. In addition, the BMPS may include restrictions on hosing down motor vehicles and paved areas and prohibit residents from performing automotive work (other than emergency repairs) within the subdivision.

The Plan affirmatively obligates the Neighborhood Association and all purchasers to take immediate corrective action whenever there is a violation of the Plan. Penalties (including significant fines) may be imposed against any purchaser who fails to comply with the BMPS set forth in the Plan. A copy of the Plan will be available in the Neighborhood Association's office. The Plan is also available at the California State Water Quality Control Board Office for your area and the local city or county Department of Public Works.

The Plan and associated BMPS may be changed at any time by the Subdivider during construction and/or at any time during construction or in the future by any public agency with jurisdiction over such matters in order to remain in compliance with governmental laws and regulations. Changes in the Plan could cause your monthly Neighborhood Association assessments to increase in the future beyond what was contemplated in the original budget prepared for the Neighborhood Association.

### **Electric Power Lines, Wireless Communications Facilities, and Human Health**

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

(1) the World Health Organization’s International EMF Project website at <https://www.who.int/peh-emf/en/>

(2) Southern California Edison website at <https://www.sce.com/wps/portal/home/safety/family>

(3) the U.S. National Institute of Environmental Health Sciences website at <http://www.niehs.nih.gov/health/topics/agents/emf>

(4) San Diego Gas & Electric website at <https://www.sdge.com/more-information/safety/electric-safety/electric-magnetic-fields/basics-emf>

## **Hazards**

- 215 (Escondido Freeway) is approximately 0.59 miles east
- Paloma Valley Wash Channel is approximately 0.29 miles east

## **Natural Hazards**

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

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

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

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

### **Notice of Right to Farm**

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

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

## **TITLE**

### **Preliminary Report**

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

### **Easements**

Easements for utilities and other purposes are shown in the title report and on the subdivision, map filed in Book 466, Pages 48 to 50 and Amended and Fully Restated Condominium Plan

recorded September 24, 2020 as Instrument No. 2020-454233 in the Office of the Riverside County Recorder.

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

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

The Townes will be subject to a Grant of Easement for Solar Energy Equipment recorded December 28, 2021 as Instrument No. 2021-0759564 in the Office of the Riverside County Recorder.

### **Environmental Constraint Sheet**

Environmental Constraint Notes on Environmental Constraint Sheet filed in Book 100, Page 60 in the Office of Riverside County Surveyor includes, but is not limited to:

This property is subject to lighting restrictions as required by Menifee Municipal Code Chapter 6 (Ordinance No. 2009-024), which are intended to reduce the effects of night lighting on the Mount Palomar Observatory. All proposed outdoor lighting systems shall be in conformance with Municipal Code Chapter 6.

This property is subject to the mitigation monitoring and reporting plan adopted as part of the town center specific plan and environmental impact report on file with the community development.

All buildings shall be constructed with class "A" material as per the California Building Code.

### **Mineral Rights**

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

## **TAXES**

### **Regular Taxes**

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

previously approved by the voters and sold by a county water district, a sanitation district, or other such district could increase the tax rate.

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

### **Notice of Your “Supplemental Property” Tax Bill**

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

#### **Special Taxes & Assessments:**

The Townes lies within the boundaries of the Eastern Municipal Water District, Metropolitan Water District and Riverside County Flood Control District and is subject to any taxes, assessments and obligations thereof

The Townes lies within the City of Menifee CFD No. 2017-1 (Maintenance Services) - Special Tax A and Eastern Municipal Water District CFD No. 2016-74 (Menifee Town Center) - Improvement Area C and is subject to any taxes, assessments and obligations thereof. The Subdivider must provide purchasers with disclosures entitled, “Notice of Special Tax”, prior to a purchaser entering into a Purchase Agreement. These Notices contain important information about district functions, purchaser’s obligations, rights of the districts, and information on how to contact the districts for additional materials. Purchasers should thoroughly understand the information contained in the Notices prior to entering into a Purchase Agreement. These special taxes appear on the yearly property tax bill and are in addition to the tax rate affecting the property described above in the section entitled “Regular Taxes”.

The purchaser has five days after delivery of these Notices by deposit in the mail, or three days after delivery of any notice in person, to terminate the Purchase Agreement by giving written notice of that termination to the owner, Subdivider or agent selling the property.

The Townes lies within Community Facilities District No. City of Menifee CFD No. 2017-1 (Maintenance Services) - Special Tax B (Contingent)\* and is subject to any taxes, assessments and obligations thereof. The Subdivider must provide purchasers with a disclosure entitled “Notice of Special Tax,” prior to a purchaser entering into a Purchase Agreement. This Notice contains important information about district functions, purchaser’s obligations, rights of the district, and information on how to contact the district for additional materials. Purchasers should thoroughly understand the information contained in the Notice prior to entering into a

Purchase Agreement. This special tax appears on the yearly property tax bill and is in addition to the tax rate affecting the property described above in the section entitled "Regular Taxes". **\*There are currently no maintenance services proposed to be funded by the levy of Special Tax B (Contingent) for properties located within the boundaries of Tax Zone 1. The Special Tax B (Contingent), if applicable, will only be levied if the Property Owner's Association fails to maintain such improvements.**

The buyer has five days after delivery of this Notice by deposit in the mail, or three days after delivery of any notice in person, to terminate the Purchase Agreement by giving written notice of that termination to the owner, Subdivider or agent selling the property.

## **FINANCING**

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

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

### **Acceleration Clause**

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

### **Due-on-Sale Clause**

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

### **Balloon Payment**

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

### **Prepayment Penalty**

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

### **Late Charge**

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

### **Adjustable Rate Loan**

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

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

### **PURCHASE MONEY HANDLING**

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

If the escrow has not closed on your unit within one (1) year of the date of your Purchase Agreement, you may request the return of your purchase money deposit.

The purchase agreement (and escrow instructions) intended for use by the subdivider includes a provision where the seller (subdivider) may in its sole and absolute discretion grant the buyer an extension of the closing date. Under this provision the buyer shall pay a specified dollar amount per day (extension fee) for each day escrow is extended.

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

The Subdivider has no financial interest in the escrow company which is to be used in connection with the sale or lease of units in The Townes.



## **SOILS CONDITIONS AND GEOLOGIC CONDITIONS**

Some lots will contain filled ground. Information concerning filled ground and soil conditions and geologic conditions is available at: The City of Menifee, Engineering Department, 29714 Haun Road, Menifee, California 92586.

California is subject to Geologic Hazards such as landslides, fault movements, earthquake shaking, rapid erosion, or subsidence. The Uniform Building Code, Appendix Chapter 33, provides for local building officials to exercise preventive measures during grading to eliminate or minimize damage from such geologic hazards. The Townes is located in an area where some of these hazards may exist. Some California counties and cities have adopted ordinances that may or may not be as effective in the control of grading and site preparation

Purchasers may contact the Subdivider, the Subdivider's engineer, the engineering geologist, and the local building officials to determine if the above-mentioned hazards have been considered and if there has been adequate compliance with Appendix Chapter 33, or an equivalent or more stringent grading ordinance during the construction of The Townes.

### **Streets and Roads**

The private streets within The Townes will be maintained by the Neighbor Association. The costs of repair and maintenance of these private streets are included in Neighborhood Association budget.

### **Schools**

The Townes lies within the Menifee Union School District. The District advises that the schools initially available to The Townes are the following:

Chester W. Morrison 30250 Bradley Road Menifee, CA 92584	Grades K-5
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Menifee Valley Middle School 26255 Garbani Road Menifee, CA 92584	Grades 6-8
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The Townes also lies within Perris Union High School District. The District advised that the high school initially available to The Townes is the following:

Paloma Valley High School  
31375 Bradley Road  
Menifee, CA 92584

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

### **CONTACTING THE DEPARTMENT OF REAL ESTATE**

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

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