

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

**FINAL SUBDIVISION PUBLIC REPORT  
PLANNED DEVELOPMENT**

*In the matter of the application of*

VILLAGE AT GRAY'S CROSSING LLC,  
a California limited liability company

FILE NO.: 166490SA-A01

ISSUED: MAY 31, 2023

AMENDED: JANUARY 11, 2024

EXPIRES: MAY 30, 2028

*for a Final Subdivision Public Report on*

FINAL MAP - FM 2020-00000029,  
THE VILLAGE AT GRAY'S CROSSING  
a.k.a. VILLAGE AT GRAY'S CROSSING TOWNHOMES

DEPARTMENT OF REAL ESTATE

NEVADA COUNTY, CALIFORNIA

by   
Gil Hatfield

**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, marital status, domestic partnership, national origin, physical handicap, ancestry, gender identify, gender expression, sexual orientation, familial status, source of income, disability, 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 owner's 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 contained 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).

## VILLAGE AT GRAY'S CROSSING

IN ADDITION TO YOUR ASSESSMENT OBLIGATIONS TO THE VILLAGE AT GRAY'S MASTER ASSOCIATION DESCRIBED ABOVE AND TOWNHOME ASSOCIATION DESCRIBED IN THE FOLLOWING PAGES OF THIS REPORT, OWNERSHIP OF A LOT WITHIN THE VILLAGE AT GRAY'S CROSSING TOWNHOMES IS SUBJECT TO THREE REAL ESTATE TRANSFER FEE COVENANTS, EACH ENTITLED "COMMUNITY BENEFIT FEE AGREEMENT", WHICH HAVE BEEN IMPOSED BY SEPARATE COVENANTS, AS FOLLOWS:

1. THE "COMMUNITY BENEFIT FEE AGREEMENT" ("AGREEMENT") BY THE TAHOE MOUNTAIN RESORTS ENVIRONMENTAL FUND ("TMREF") RECORDED ON DECEMBER 30, 2003 AS DOCUMENT NO. 2003-0067691 AND AS AMENDED MARCH 4, 2004 AS DOCUMENT NO. 2004-7922. THE TMREF HAS BEEN ORGANIZED IN GENERAL TO PROVIDE EDUCATIONAL OPPORTUNITIES TO LOCAL SCHOOLS WITH RESPECT TO ENVIRONMENTAL AND CONSERVATION MATTERS; PROVIDE FUNDING AND OTHER VOLUNTEER RESOURCES TO PROJECTS TO MAINTAIN AND IMPROVE THE QUALITY OF LOCAL WETLAND, OPEN SPACE AND STREAM AREAS; AND TO PROMOTE HABITAT PRESERVATION AND THE PRESERVATION AND ENHANCEMENT OF NATIVE VEGETATION AND ENVIRONMENTALLY SENSITIVE AREAS IN AND AROUND THE TOWN OF TRUCKEE, THE MARTIS VALLEY, AND SURROUNDING COMMUNITIES. THIS AGREEMENT PROVIDES FOR THE COLLECTION OF FEES, ENTITLED "BENEFIT FEES", REQUIRED TO PARTIALLY FUND THE TMREF. THE AGREEMENT PROVIDES THE BENEFIT FEE SHALL BE EQUAL TO ONE QUARTER OF ONE PERCENT (0.25%) OF THE PURCHASE PRICE IN EACH TRANSACTION RESULTING IN A TRANSFER AS DEFINED IN THE AGREEMENT.
  
2. THE "COMMUNITY BENEFIT FEE AGREEMENT" ("AGREEMENT") BY THE GRAY'S CROSSING COMMUNITY FOUNDATION ("GCCF") WAS RECORDED ON DECEMBER 30, 2003 AS DOCUMENT NO. 2003-0067690 AND AS AMENDED MARCH 4, 2004 AS DOCUMENT NO. 2004-7921. THE GCCF HAS BEEN ORGANIZED IN GENERAL TO PROVIDE SERVICES TO THE RESIDENTS OF GRAY'S CROSSING WHICH ENCOURAGE AND SUPPORT THE PRESERVATION OF THE VALUE OF REAL PROPERTY WITHIN THE COMMUNITY. THIS AGREEMENT PROVIDES FOR THE COLLECTION OF FEES, ENTITLED "BENEFIT FEES", REQUIRED TO FULLY FUND THE GCCF. THE AGREEMENT PROVIDES THE BENEFIT FEE SHALL BE EQUAL TO THREE QUARTERS OF ONE PERCENT (.75%) OF THE PURCHASE PRICE IN EACH TRANSACTION RESULTING IN A TRANSFER AS DEFINED IN THE AGREEMENT, WHICH PROVIDES FURTHER THE INITIAL TRANSFER BY THE DECLARANT SHALL BE EXEMPT.



3. THE "COMMUNITY BENEFIT FEE AGREEMENT" ("AGREEMENT") BY THE TAHOE MOUNTAIN RESORTS FOUNDATION ("TMRF") WAS RECORDED ON DECEMBER 30, 2003 AS DOCUMENT NO. 2003-0067692, AS AMENDED MARCH 4, 2004 AS DOCUMENT NO. 2004-7923 AND AS AMENDED DECEMBER 13, 2004 AS DOCUMENT NO. 2004-51654. THE TMRF HAS BEEN ORGANIZED IN GENERAL TO PROVIDE EDUCATIONAL OPPORTUNITIES FOR COMMUNITY PROGRAMS AND TO SUPPORT AND PROTECT OPEN SPACE, RECREATIONAL, SCENIC AND HISTORIC LANDS IN THE TRUCKEE/DONNER REGION. THIS AGREEMENT PROVIDES FOR THE COLLECTION OF FEES, ENTITLED "BENEFIT FEES", REQUIRED TO PARTIALLY FUND THE TMRF. THE AGREEMENT PROVIDES THE BENEFIT FEE SHALL BE EQUAL TO THREE QUARTERS OF ONE PERCENT (0.75%) OF THE PURCHASE PRICE IN EACH TRANSACTION RESULTING IN A TRANSFER AS DEFINED IN THE AGREEMENT.

THIS REPORT COVERS ONLY LOTS 1 THROUGH 24, INCLUSIVE, OF FINAL MAP FM - 2020-00000029, THE VILLAGE AT GRAY'S CROSSING.

**SPECIAL INTEREST AREAS IN THIS FINAL SUBDIVISION PUBLIC REPORT:** YOUR ATTENTION IS ESPECIALLY DIRECTED TO THE PARAGRAPHS BELOW ENTITLED: CONDITIONAL SUBDIVISION PUBLIC REPORT, MANAGEMENT AND OPERATION, MAINTENANCE AND OPERATIONAL EXPENSES - TOWNHOME ASSOCIATION, MAINTENANCE AND OPERATIONAL EXPENSES - MASTER ASSOCIATION, HAZARDS AND PURCHASE MONEY HANDLING.

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

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

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

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

### **OVERVIEW OF SUBDIVISION**

**Location:** This subdivision is located at Prosser Dam Road and State Route 89 within the limits of the Town of Truckee. Prospective purchasers should acquaint themselves with the kinds of city services available.

**Type of Subdivision:** This subdivision is a common-interest development of the type referred to as a planned development. It includes common areas which will be maintained by an incorporated owners association.

**Interests to Be Conveyed:** You will receive fee title to a specified lot together with memberships in The Village at Gray's Crossing Townhome Association (Townhome Association) and the Village at Gray's Crossing Master Association (Master Association) and rights to use the common area.

**About This Phase - Townhome Association:** This is a single phase subdivision which consists of approximately 3.174 acres divided into 24 lots.

**About This Phase - Master Association:** This is also the fourth phase of the multi-phase Village at Gray's Crossing project which consists of the 24 lots in addition to the common area, Lots "G", "H", "I", "K" and "L".

Common amenities and or facilities consisting of native open space, asphaltic concrete streets, concrete sidewalk/walkways, bike path, 2-rail wood fence, bike rack benches and project entry sign will be constructed on the common area in this phase.

This phase is part of a total Master Association project which, if developed as proposed, will consist of a total of five (5) or more phases and 108 units. If developed in accordance with the present planning, will include 40,000 s.f. of commercial space, 24 townhouse residences, 8 row house residences, 23 loft condominium units and a hotel.

There is no assurance that the total Master Association project will be completed as proposed.

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

DUE TO THE INABILITY TO PREDICT FUTURE MARKET CONDITIONS WITH ACCURACY, THERE ARE NO ASSURANCES THAT THE SUBDIVISION WILL BE BUILT AS CURRENTLY PLANNED, OR PURSUANT TO ANY PARTICULAR BUILD-OUT SCHEDULE. TOPOGRAPHICAL MAPS IN THE SALES OFFICE, LOT PLOTTING MAPS, MAPS OFFERED BY SUBDIVIDER AND OTHER FORMS SHOWING "COMPLETE" SUBDIVISION PROJECTS DOES NOT NECESSARILY COMMIT THE SUBDIVIDER TO COMPLETE THE SUBDIVISION OR, IF COMPLETED, TO COMPLETE THE SUBDIVISION AS SHOWN. THE SUBDIVIDER MAY SELL AT ANY TIME, ALL OR ANY PORTION OF THE LOTS OR CONDOMINIUM UNITS WITHIN THE SUBDIVISION 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 lots in this subdivision; however, any owner, including the Subdivider, has a legal right to rent or lease the lots.

**SUBDIVIDER AND PURCHASER OBLIGATIONS:** IF YOU PURCHASE FIVE OR MORE SUBDIVISION LOTS 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 LOT TO SOMEONE ELSE, YOU MUST GIVE THAT PERSON A COPY OF THE DECLARATION OF RESTRICTIONS, ARTICLES OF INCORPORATION, THE BYLAWS FOR EACH ASSOCIATION AND A TRUE STATEMENT CONCERNING ANY DELINQUENT ASSESSMENTS, PENALTIES, ATTORNEYS FEES OR OTHER CHARGES, PROVIDED BY THE RESTRICTIONS OR OTHER MANAGEMENT DOCUMENTS ON THE LOT OF THE DATE THE STATEMENT WAS ISSUED.

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

**Completion Of Common Area:** The Subdivider estimates all common facilities including residential structures in this phase will be completed by approximately February, 2024.

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

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

### MANAGEMENT AND OPERATION

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

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

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

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

**The CC&Rs:** This subdivision is subject to Townhome Association Restrictions recorded in the Office of the Nevada County Recorder on September 21, 2021 as Document No. 20210030905.

This subdivision is also subject to Master Association Restrictions recorded in the Office of the Nevada County Recorder on December 15, 2008 as Document No. 2008-0029832-00 as modified by a First Amendment recorded in the Office of the Nevada County Recorder on May 28, 2009 as Document No. 2009-0013606-00 as further modified by a Second Amendment recorded in the Office of the Nevada County Recorder on July 9, 2010 as Document No. 2010-0015803-00 as annexed thereto by a Declaration of Annexation recorded in the Office of the Nevada County Recorder on September 21, 2021 as Document No. 20210030904.

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

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

THE SUBDIVIDER MUST MAINTAIN AND DELIVER TO EACH 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 ASSOCIATIONS TO PERFORM THEIR RESPECTIVE DUTIES AND RESPONSIBILITIES. (SECTION 11018.5 OF THE BUSINESS AND PROFESSIONS CODE AND SECTION 1363 OF THE CIVIL CODE.)

THE SUBDIVIDER SHALL MAKE A COPY OF THE ARTICLES, THE BYLAWS, AND THE CC&RS FOR EACH ASSOCIATION AVAILABLE FOR EXAMINATION BY A PROSPECTIVE BUYER BEFORE EXECUTION OF AN OFFER TO PURCHASE A LOT. A COPY OF EACH MUST ALSO BE GIVEN TO EACH BUYER AS SOON AS PRACTICABLE BEFORE CLOSE OF ESCROW. THESE DOCUMENTS CONTAIN NUMEROUS MATERIAL PROVISIONS THAT SUBSTANTIALLY AFFECT AND CONTROL YOUR RIGHTS, PRIVILEGES, USE, OBLIGATIONS, AND COSTS OF MAINTENANCE AND OPERATION. YOU SHOULD READ

AND UNDERSTAND THESE DOCUMENTS BEFORE YOU OBLIGATE YOURSELF TO PURCHASE A LOT. (BUSINESS AND PROFESSIONS CODE SECTION 11018.6).

**MAINTENANCE AND OPERATIONAL EXPENSES**  
TOWNHOME ASSOCIATION

**Association to Levy Assessments:** THE ASSOCIATION HAS THE RIGHT TO LEVY ASSESSMENTS AGAINST YOU FOR MAINTENANCE OF THE COMMON AREAS, AMENITIES AND FACILITIES, AND OTHER PURPOSES. YOUR CONTROL OF OPERATIONS AND EXPENSES IS LIMITED TO THE RIGHT OF YOUR ELECTED REPRESENTATIVES TO VOTE ON CERTAIN PROVISIONS AT ASSOCIATION MEETINGS.

**Proposed Budgets:** 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 October, 2023. You should obtain a copy of this budget from the Subdivider. Under this budget, the monthly prorated assessment against each lot ranges between \$462.46 to \$529.34 of which \$187.14 to \$233.36 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 CONTRACT 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 OPERATION ARE DIFFICULT TO PREDICT AND EVEN IF ACCURATELY ESTIMATED INITIALLY, MOST EXPENSES INCREASE WITH THE AGE OF FACILITIES AND WITH INCREASES IN THE COST OF LIVING.

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

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

In addition to other documentation provided to each prospective Buyer, a copy of the current financial information, and related statements, to the extent available, as specified by Section (a) of Civil Code Section 5300 must be made available for examination by a prospective Buyer before the execution of an offer to purchase a Lot. A copy of this financial information must also be given to each Buyer as soon as practicable before close of escrow. YOU SHOULD PAY SPECIAL ATTENTION TO THIS

FINANCIAL INFORMATION, AS IT PERTAINS TO CURRENT AND POSSIBLE FUTURE FINANCIAL OBLIGATIONS AFFECTING ALL HOMEOWNERS WITHIN THE SUBDIVISION ASSOCIATION. If you do not understand the contents of these financial documents, you may wish to consult with your own professional advisors. Should the amounts collected by the Association prove insufficient to properly maintain, operate, repair or replace the common facilities, the Association may increase Regular Assessments or levy one or more Special Assessments in accordance with the Governing Documents in order to provide such funding, which may affect your ability to purchase, or, as an alternative, the Association may decide to defer maintenance or eliminate services.

**Exemptions from Association Regular Assessments:** The Covenants, Conditions and Restrictions provide that the subdivider or other owner of a subdivision interest will be allowed to defer from payment, that portion of any assessment which is directly attributable to any structural improvement and/or common facility that is not complete at the time assessments commence. The amount of the deferment may be a fixed amount, or may vary based upon dates of completion or use. Once the established criterion is met and the authority allowing the deferment is eliminated, all owners must pay the full amount of the monthly assessment as outlined herein. The limitations of this allowance are specifically set forth in the Restrictions. (Regulation 2792.16c).

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

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

**Commencement of Assessments:** Regular assessments for the Association will commence on all lots on the first day of the month following the conveyance of the first subdivision lot. The Subdivider must pay assessments to the Association for all unsold lots (Regulations 2792.9 and 2792.16).

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

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

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

**Association to Levy Assessments:** THE ASSOCIATION HAS THE RIGHT TO LEVY ASSESSMENTS AGAINST YOU FOR MAINTENANCE OF THE COMMON AREAS, AMENITIES AND FACILITIES, AND OTHER PURPOSES. YOUR CONTROL OF OPERATIONS AND EXPENSES IS LIMITED TO THE RIGHT OF YOUR ELECTED REPRESENTATIVES TO VOTE ON CERTAIN PROVISIONS AT ASSOCIATION MEETINGS.

**Proposed Budgets:** The Subdivider has submitted budgets for the maintenance and operation of the Association obligations and for long-term reserves when the community is substantially completed (built-out budget) and an interim budget applicable to this phase. These budgets were reviewed by the Department of Real Estate in October, 2023. You should obtain copies of these budgets from the Subdivider.

Under the built-out budget, the monthly assessment against each lot will be \$149.80. The Association may or may not elect to use this budget when additional phases are annexed. Under the interim budget, the monthly assessment per interest will be \$242.60. Of these amounts, the monthly contributions toward long-term reserves are not to be used to pay for current management, maintenance and operating expenses are \$27.00 and \$65.25, respectively.

NO RESERVE STUDY OR ASSESSMENT AND RESERVE FUNDING DISCLOSURE STATEMENT HAS BEEN PROVIDED BY THE DEVELOPER.

2022/FINANCIALS REFLECT A NEGATIVE OPERATING INCOME. PER THE MANAGEMENT COMPANY, THE AMOUNTS ARE CREDITS FROM THE MASTER ASSOCIATION BUT ARE UNRECOGNIZED INCOME.

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

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

IF THE 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 THE FINAL PUBLIC REPORT, YOU SHOULD CONTACT THE DEPARTMENT OF REAL ESTATE BEFORE ENTERING INTO AN CONTRACT 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 OPERATION ARE DIFFICULT TO PREDICT AND EVEN IF ACCURATELY ESTIMATED INITIALLY, MOST EXPENSES INCREASE WITH THE AGE OF FACILITIES AND WITH INCREASES IN THE COST OF LIVING.

**BUDGET INFORMATION PROVIDED BY SUBDIVIDER:** DELINQUENCIES IN THE PAYMENT OF ASSOCIATION ASSESSMENTS AFFECT THE ABILITY OF THE ASSOCIATION TO PERFORM ANY OR ALL OF ITS RESPONSIBILITIES AND COULD ALSO RESULT IN UNFORESEEN SPECIAL ASSESSMENTS LEVIED AGAINST ALL HOMES OR A SIGNIFICANT REDUCTION IN BUDGETED ASSOCIATION SERVICES. THE SUBDIVIDER MUST IMMEDIATELY NOTIFY THE DEPARTMENT OF REAL ESTATE IN WRITING, IF DELINQUENT ASSESSMENTS HAVE CAUSED THE ASSOCIATION TO RECEIVE TEN PERCENT (10%) LESS



INCOME THAN REFLECTED IN THE THEN CURRENT ASSOCIATION BUDGET (REGULATION 2800K).

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

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

**Exemptions from Association Regular Assessments:** The Covenants, Conditions and Restrictions provide that the subdivider or other owner of a subdivision interest will be allowed to defer from payment, that portion of any assessment which is directly attributable to any structural improvement and/or common facility that is not complete at the time assessments commence. The amount of the deferment may be a fixed amount, or may vary based upon dates of completion or use. Once the established criterion is met and the authority allowing the deferment is eliminated, all owners must pay the full amount of the monthly assessment as outlined herein. The limitations of this allowance are specifically set forth in the Restrictions. (Regulation 2792.16c).

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

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

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

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

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

Operating Subsidy Agreement - Phase 4. The Phase 4 Master Association Budget, with 41 cumulative members is \$242.60 per lot per month including \$65.25 of reserves. The Subdivider has entered into an Operating Subsidy Agreement with the Master Association which commences after the close of the first escrow in Phase 4 of the project and continues for a term of three (3) months or until the close of the first escrow in Phase 5 of the project, WHICHEVER OCCURS FIRST. Under the terms of the Operating Subsidy Agreement, the Subdivider is obligated to pay the cost of goods and services denoted in Section 200 of the Master Association budget, more specifically Line Items 201, 203, 208, 208A, 211, 216, 217A, 217B, 217C and 217D, as necessary for the operation and maintenance of the common area as required of the Master Association in the CC&R's. The Subdivider must provide a monthly accounting of the goods and services provided to the Master Association.

During the term of the Operating Subsidy Agreement, purchasers will not be required to pay any of the Operating Costs portion of the monthly Regular Assessment applicable to Line Items 201, 203, 208, 208A, 211, 216, 217A, 217B, 217C and 217D within Section 200 of the Master Association Budget. However, during the term of the Operating Subsidy Agreement, purchasers will be required to pay the Fixed Costs, Reserves, Administration and Contingency components of the Regular Assessment presently in the amount of \$120.68 per lot per month. After expiration of the Operating Subsidy Agreement term, purchasers will be responsible for payment of the full current assessment amount levied on their lot by the Master Association.

The Subdivider has made financial arrangements as partial security for its obligations under the Operating Subsidy Agreement. The governing body of the Master Association should assure itself that the Subdivider has satisfied its obligations to the Master Association with respect to the payment of assessments under the Operating Subsidy Agreement before agreeing to a release or exoneration of the security.

THEREFORE, DURING THE TERM OF THE PHASE 4 OPERATING SUBSIDY AGREEMENT, PHASE 4 LOT OWNERS WILL BE REQUIRED TO PAY A MAXIMUM MONTHLY MASTER ASSOCIATION ASSESSMENT OF \$120.68. THESE ASSESSMENTS ARE IN ADDITION TO THE TOWNHOME ASSOCIATION ASSESSMENTS MENTIONED SEPARATELY ABOVE.

#### USES/ZONING/HAZARD DISCLOSURES

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

**Zoning:**

North	-	Residential/Open Space/Recreational
East	-	Open Space/Recreational/Commercial/Residential

South - Residential/Recreational  
West - Residential/Recreational/Commercial/Open Space

**Hazards:** The following hazard(s) exist(s) within or near this development:

The Union Pacific Railroad is located 1 mile to the South.

The Truckee River is approximately 1 mile to the South.

Interstate 80 is approximately 1/4 mile to the West.

Highway 89 adjoins the project on the Southern side.

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

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

The subdivider has advised that all or portions of the subdivision subject to this Public Report are located within a *Very High Fire Hazard Severity Zone*. Additionally, the subdivider has advised that prospective purchasers within this Zone will be provided a separate disclosure required under Government Code Section 51183.5.

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

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

### **TITLE**

**Preliminary Report:** A preliminary report will be issued by the title insurer to reflect those items that affect the condition of title. You are encouraged to request a copy of this preliminary report for review of

those items that affect the lot you are purchasing. Those items typically shown on a report include, but are not limited to, general and special taxes, easements, mechanic liens, monetary encumbrances, trust deeds, utilities, rights of way and CC&Rs. In most instances, copies of documents can be provided to you upon request.

A preliminary (title) report shows title, among other things, to be subject to:

1. Matters contained in that certain document entitled "Community Benefit Fee Agreement" dated December 22, 2003, executed by and between Gray's Crossing Community Foundation recorded December 30, 2003, Instrument No. 2003-0067690, of Official Records, which document, among other things, contains or provides for: Services.

Reference is hereby made to said document for full particulars.

An amendment recorded March 4, 2004, Instrument No. 2004-7921, Official Records.

2. Matters contained in that certain document entitled "Community Benefit Fee Agreement" dated December 22, 2003, executed by and between Tahoe Mountain Resorts Environmental Fund and Truckee Land, LLC recorded December 30, 2003, Instrument No. 2003-0067691, of Official Records, which document, among other things, contains or provides for: Services.

Reference is hereby made to said document for full particulars.

An amendment recorded March 4, 2004, Instrument No. 2004-7922, Official Records.

3. Matters contained in that certain document entitled "Community Benefit Fee Agreement" dated December 22, 2003, executed by and between Tahoe Mountain Resorts Environmental Fund and Truckee Land, LLC recorded December 30, 2003, Instrument No. 2003-0067692, of Official Records, which document, among other things, contains or provides for: Services.

Reference is hereby made to said document for full particulars.

An amendment recorded March 4, 2004, Instrument No. 2004-007923, Official Records.

An amendment recorded December 13, 2004, Instrument No. 2004-0051654, Official Records.

4. Matters contained in that certain document entitled "Easement and Cost Sharing Agreement" dated May 30, 2010, executed by and between The Village at Gray's Crossing Master Association, The Fairway Townhomes Association and Gray's Fairway Townhomes, #12, LLC, recorded July 9, 2010, Instrument No. 2010-0015805, of Official Records.

Reference is hereby made to said document for full particulars.

**Easements:** Easements for utilities, electrical facilities, drainage, rights-of-way, highways, sewer lines and related facilities and other purposes are shown on the Title Report and Subdivision Map recorded in the office of the Nevada County Recorder on September 21, 2021 in Book 9 of Subdivisions, at Page 26.

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

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

### Notice of Your 'Supplemental' Property Tax Bill

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

**Special Taxes & Assessments:** This subdivision lies within the boundaries of the Truckee/Donner Public Utility District Standby, Tahoe Truckee Sanitation Agency, Tahoe/Truckee Joint Unified Tax 2019 and Truckee Fire Department Fire Suppression Assessment, and Truckee Rec - Pool Parcel Charge and is subject to any taxes, assessments and obligations thereof.

This subdivision lies within the Community Facilities District No. 04-01 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 contract to purchase. This Notice contains important information about district functions, purchaser's obligations, right 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 contract to purchase. 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 "TAXES".

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/contract by giving written notice of that termination to the owner, subdivider, or agent selling the property.

## FINANCING

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

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

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

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

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

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

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

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

#### **PURCHASE MONEY HANDLING**

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

If the escrow has not closed on your lot within eighteen (18) months of the date of subdivider's acceptance of your offer you may request the return of your purchase money deposit.

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

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

**SOILS AND GEOLOGIC CONDITIONS**

Some lots will contain filled ground. Soils, filled ground and geologic information is available at: Town of Truckee - Planning Department, 10183 Truckee Airport Road, Truckee, CA, 96161.

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

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

**UTILITIES AND OTHER SERVICES**

**Water:** Truckee Donner Public Utility District

**Sewage Disposal:** Truckee Sanitary District

**Gas:** Southwest Gas - (800) 772-4555

**Electricity:** Truckee Donner Public Utility District - (530) 587-3896

**Telephone:** AT&T - (800) 750-2355

**Fire Protection:** Truckee Fire Protection District

**Streets and Roads:** The public streets, Lot "M", Jake's Way, and Lot "W", Edwin Way, within this project will be maintained by the Master Association and not by the Town of Truckee. The costs of repair and maintenance of these private streets are included in the Master Association budget and are a part of your regular assessment.

**Schools:** This subdivision lies within the Tahoe-Truckee Joint Unified School District. This District advises the following schools initially service the subdivision:

Truckee Elementary School  
11911 Donner Pass Road  
Truckee, CA 96161

Alder Creek Middle School  
10931 Alder Drive  
Truckee, CA 96161

Truckee High School  
11725 Donner Pass Road  
Truckee, CA 96161

This school information was provided prior to the date of issuance of this Public Report and is subject to change. For the most current information regarding school assignments, facilities and bus service, purchasers are encouraged to contact the school district at (530) 582-2500.

**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 North  
Northern California Office  
1651 Exposition Blvd.  
Sacramento, CA 95815  
(916) 576-3374



# RECEIPT FOR PUBLIC REPORT

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

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

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

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

I read the Commissioner's Public Report on \_\_\_\_\_ 166490SA-A01 \_\_\_\_\_  
[FILE NUMBER]

FINAL MAP - FM 2020-00000029, THE VILLAGE AT GRAY'S CROSSING  
a.k.a. VILLAGE AT GRAY'S CROSSING TOWNHOMES

\_\_\_\_\_  
[TRACT NUMBER OR NAME]

\_\_\_\_\_  
[PHASE NUMBER]

\_\_\_\_\_  
[LOT/UNIT NUMBER]

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

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

\_\_\_\_\_  
MAY 31, 2023

[DATE ISSUED]

\_\_\_\_\_  
JANUARY 11, 2024

[DATE AMENDED]

\_\_\_\_\_  
MAY 30, 2028

[EXPIRATION DATE]

\_\_\_\_\_  
[NAME]

\_\_\_\_\_  
[SIGNATURE]

\_\_\_\_\_  
[ADDRESS]

\_\_\_\_\_  
[DATE]

**THE VILLAGE AT GRAY'S CROSSING TOWNHOMES**  
**Purchase and Sale Agreement, Earnest Money Receipt**  
**and Escrow Instructions**

**THIS DOCUMENT HAS IMPORTANT LEGAL CONSEQUENCES AND SHOULD BE READ THOROUGHLY PRIOR TO SIGNING. IF YOU HAVE ANY QUESTIONS ABOUT YOUR RIGHTS OR OBLIGATIONS UNDER THIS DOCUMENT YOU ARE ENCOURAGED TO CONSULT AN ATTORNEY OR OTHER ADVISOR OF YOUR OWN SELECTION.**

This Purchase and Sale Agreement, Earnest Money Receipt and Escrow Instructions (the "**Agreement**") is entered into by and between the parties identified in Paragraph 1, below, and with regard to the Property described in Paragraph 2, below. The Property is part of a common interest development commonly known as The Village at Gray's Crossing Townhomes which is at times referred to herein as the "**Development**." The "**Effective Date**" shall be the date on which this Agreement is fully executed by both Parties.

**1. Parties to this Purchase and Sale Agreement:**

Buyer: \_\_\_\_\_  
Buyer's address: \_\_\_\_\_  
\_\_\_\_\_  
Buyer's Tel. No(s): \_\_\_\_\_  
Buyer's Fax No(s): \_\_\_\_\_  
Buyer's E-mail address: \_\_\_\_\_

Seller: Village at Gray's Crossing LLC  
a California limited liability company  
ATTN: Brad Ardis

Seller's Address: 140 Heron Way,  
Merced, CA 95341

Seller's Tel. No: (209) 261 -- 4265

Seller's Sales Agent: Jeff Brown, DRE License Number: 01322672  
Tahoe Mountain Realty  
3001 Northstar Drive, Suite 100, Truckee, CA 96160  
Phone: 1-530-210-6067

**2. Description of the Property:**

Seller agrees to sell to Buyer and Buyer agrees to buy from Seller the following real property (the "**Property**") which is located at address: \_\_\_\_\_, in the Town of Truckee, County of Nevada, State of California and legally described Lot No. \_\_\_\_\_ with the residence and other improvements constructed by Seller thereon (the Lot and its improvements being collectively referred to herein as the "**Residence**"), as shown on that certain Subdivision Map (the "**Map**") recorded on \_\_\_\_\_, in Book \_\_\_\_\_ of Maps, pages \_\_\_\_\_, of the Official Records of Nevada County, California. The Property is subject to the Declaration of Covenants, Conditions and Restrictions for The Village at Gray's Crossing Townhomes recorded in the Official Records of Nevada County, California, on \_\_\_\_\_, 2021 as Instrument No. \_\_\_\_\_ (the "**Declaration**"), the Master Declaration for The Village at Gray's Crossing, recorded as Document No. 2008-0029832-00, and any amendments thereto, and subject to any other easements, dedications, and rights of (01021786;9)

Buyer(s) \_\_\_\_\_ / \_\_\_\_\_

Seller \_\_\_\_\_

way of record. The Village at Gray's Crossing Townhomes, of which this Residence is a part, is one of many planned developments or condominium projects within a master development known as The Village at Gray's Crossing.

3. **Purchase Price of the Property:** The purchase price for the Property (the "**Purchase Price**") shall be \$ \_\_\_\_\_. The Purchase Price does not include those costs that Buyer is required to pay pursuant to Paragraph 5, subparagraphs (g) and (h), below, ("**Buyer's Closing Costs**"). Within three (3) business days following execution of this Agreement, Buyer shall deliver to the Escrow Holder the Earnest Money Deposit (the "**Initial Deposit**"), which shall be an amount that is equal to three percent (3%) of the purchase price. Buyer shall remit an Additional Deposit as set forth below, and the Initial Deposit and any Additional Deposits are collectively referred to in this Agreement as the "**Deposit**". The Deposit shall be refundable to Buyer in the event of Paragraph 5(f), below. The total amount of the Deposit, and all interest earned thereon, if any, shall be credited toward payment of the Purchase Price. Accordingly, the total Purchase Price shall be paid as follows:

- (a) Total Purchase Price: \$ \_\_\_\_\_
- (b) LESS Initial Deposit (Check/Wire): \$ \_\_\_\_\_
- (c) LESS Add'l Deposit, if any (Check/Wire), Due by \_\_\_\_\_, 20\_\_ : \$ \_\_\_\_\_
- (d) EQUALS Total Estimated Cash due at Close of Escrow \$ \_\_\_\_\_

If prior to entering into this Agreement Buyer deposited with Escrow Holder \$5,000.00 as a "**Reservation Deposit**" under the terms of a reservation agreement entered into between Buyer and Seller to reserve the right to enter into this Agreement for purchase of a Lot, the Reservation Agreement shall be treated for all purposes as a portion of the Initial Deposit.

4. **Contingencies and Financing:**

Check Here if Applicable

This Agreement is contingent on Buyer obtaining financing for the purchase of the Property, and no failure by Buyer to arrange or consummate any such financing shall relieve Buyer of its obligations hereunder or otherwise prevent Seller from terminating this Agreement and exercising its rights and remedies hereunder.

Initials: Buyer: \_\_\_\_\_ Seller: \_\_\_\_\_

Buyer's obligations under this Agreement are conditioned upon the satisfaction or waiver of the following three (3) **CONDITIONS: (ONLY THE PROVISIONS OF THIS PARAGRAPH WHICH ARE MARKED WITH AN "X" SHALL APPLY TO THIS AGREEMENT)**

(a) **Check Here, if Applicable  BUYER INTENDS TO PAY CASH TO PURCHASE THE PROPERTY.** Buyer intends to pay cash to complete the purchase of the Property and agrees to provide satisfactory evidence of Buyer's ability to pay the Purchase Price and Buyer's Closing Costs within ten (10) business days following the execution of this Agreement. Should Buyer fail to comply with the aforementioned condition, Seller may elect to terminate this Agreement and direct the Escrow Holder to return to Buyer all deposits made pursuant to Paragraph 3(a) and/or (b), above, (the "Buyer's Deposit"). Should Seller elect to terminate this Agreement, Buyer and Seller shall be relieved of any further duties and obligations to each other resulting from this Agreement.

Initials: Buyer: \_\_\_\_\_ Seller: \_\_\_\_\_

**OR**

(b) **Check Here, if Applicable.** **BUYER INTENDS TO FINANCE THE PURCHASE OF THE PROPERTY.** Buyer agrees to provide Seller with the name, address and phone number of buyer's lender, the loan officer and loan processor within five (5) days of the Effective Date. Buyer hereby authorizes such lender to provide Seller with Buyer's Lender Documentation (defined in subparagraph (e), below) within seven (7) calendar days after the Effective Date. If Buyer is unable to obtain the Loan Approval within seven (7) calendar days from the Effective Date, or within the term of any extension period granted by Seller (if, for example, the Lender cannot issue Lender Documentation until a Final Public Report is issued),

Buyer(s) \_\_\_\_\_ / \_\_\_\_\_

Seller \_\_\_\_\_

Seller may terminate this Agreement in which case Buyer and Seller shall have no further duties and obligations to each other arising from this Agreement, and subject to any claim by Seller for liquidated damages pursuant to Paragraph 10(c), below, Seller shall cause all of Buyer's Deposit to be returned to Buyer.

Initials: Buyer: \_\_\_\_\_ Seller: \_\_\_\_\_

Buyer's Lender: \_\_\_\_\_ Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phones: Work \_\_\_\_\_; Cell \_\_\_\_\_; Fax \_\_\_\_\_.

**Check Here, if Applicable**  This Agreement is contingent upon Buyer's sale and closing of escrow of Buyer's property at \_\_\_\_\_ on or before \_\_\_\_\_, 20\_\_ By that date, Buyer shall, in writing, cancel this Agreement or this contingency shall be deemed waived and escrow shall close on the date specified in paragraph 5(d).

Initials: Buyer: \_\_\_\_\_ Seller: \_\_\_\_\_

(c) **Check Here, if Applicable**  This Agreement is contingent upon Buyer's review and approval of all documents presented to Buyer at on the Effective Date including, without limitation, those documents itemized in the Master Exhibit List. If Buyer does not in writing remove this contingency within \_\_\_\_\_ days of the Effective Date, Seller may cancel this Agreement with three (3) days written notice to Buyer. In such event, Seller shall authorize return of Buyer's deposit.

Initials: Buyer: \_\_\_\_\_ Seller: \_\_\_\_\_

(d) Interest Rate Fluctuations. Buyer acknowledges that interest rates may increase or decrease between the date of the Agreement and the date of the Loan Approval. Fluctuations in the interest rate for Buyer's loan and the terms and conditions of the loan are solely between the Buyer and the Buyer's lender and are not a contingency of this Agreement. Buyer assumes the risk of any interest rate fluctuations. In no way shall interest rate fluctuations or changes in the terms of Buyer's loan relieve Buyer of any obligation with respect to this Agreement.

(e) Lender Documentation. Within seven (7) days from the Effective Date, Buyer agrees to provide Seller with the name, address and telephone number of Buyer's lender, and Buyer shall submit in writing to Seller:

- (i) Lender's written confirmation of approval of the loan without any funding conditions on the part of the Buyer;
- (ii) The duration of the loan commitment; and
- (iii) Terms of the loan and funding.

(f) Lender Updates/Credit Release. Buyer agrees that Seller may check and recheck with the Buyer's lender for periodic updates relating to Buyer's loan approval process. Seller may require Buyer to resubmit satisfactory documentation that Buyer has retained sufficient funds to enable Buyer to deliver the cash needed at the Close of Escrow. Such evidence shall be submitted to Seller no later than seven (7) days after Seller requests the documentation. Buyer's failure to provide such documentation in a timely fashion shall be a breach of this Agreement and Seller may elect to terminate the Agreement and recover liquidated damages as described in Paragraph 10(c), below, if both parties have initialed the liquidated damages provision. Buyer authorizes Seller to release Buyer's contact information to satisfy Seller's prequalification requirements.

**5. Escrow and Title:**

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Buyer(s) \_\_\_\_\_ / \_\_\_\_\_

Seller \_\_\_\_\_

(a) Opening of Escrow. Buyer and Seller do hereby employ and name **Old Republic Title; 2277 Fair Oaks Blvd., Suite 230, Sacramento, CA 95825; ATTN: Carole Fujisaki; Phone: (916) 559 - 6472;** as the title company and escrow holder for this transaction (the "**Escrow Holder**"). Buyer understands, acknowledges and agrees that Escrow Holder shall retain the Buyer's Deposit in its possession until the Close of Escrow or termination of the Agreement. Escrow Holder is hereby authorized to deposit any funds or documents pursuant to these escrow instructions, or cause the same to be deposited with Seller or an appropriate financial institution in a non-interest bearing account. Buyer shall deliver to Escrow Holder all additional funds and documents required of Buyer to enable Escrow Holder to comply with these instructions on or before the Close of Escrow. Buyer shall also execute promptly all documents and make all deposits required by Seller, Escrow Holder, Buyer's lender (if any) or governmental agency having jurisdiction over matters in question.

Notwithstanding the foregoing provisions regarding the handling of Buyer's Deposits, pursuant to Department of Real Estate Regulation §2791(b), certain distributions and charges may be made against Buyer's Deposits to Seller. Those charges under Regulation §2791(b) and Seller's estimates of such charges, are set forth below:

Preliminary Title Reports: \_\_\_\_\_

Escrow Services: \_\_\_\_\_

(b) Preliminary Title Report. Within ten (10) days following the Effective Date, Seller shall provide Buyer a copy of the preliminary title report for the Property ("**Title Report**") for Buyer's review and approval. Buyer shall have until seven (7) days after the Effective Date to give Seller and Escrow Holder written notice ("**Buyer's Title Notice**") of Buyer's disapproval of any matters shown in the Title Report. In the event there are amendments to the Title Report prior to the Close of Escrow, Seller shall provide Buyer with the amended Title Report. Buyer shall have five (5) days from the date such amended Title Report is delivered to Buyer to give Seller and Escrow Holder a Buyer's Title Notice with respect to new items on the updated Title Report. If Buyer fails to give Buyer's Title Notice by the five (5) day deadline, then Buyer shall be deemed to have approved the condition of title to the Property. If Buyer disapproves any matter shown on the Title Report within such seven (7) day period, then Seller shall have the right, but not the obligation, within five (5) days after Seller's receipt of Buyer's Title Notice ("**Seller's Election Period**"), to elect to (i) eliminate (or provide a title policy endorsement eliminating) each disapproved title matter by giving Buyer written notice ("**Seller's Title Notice**") of those disapproved title matters, if any, that the Seller is willing to eliminate (or provide a title policy endorsement eliminating), on or before the Close of Escrow; or (ii) terminate this Agreement. If Seller does not timely deliver Seller's Title Notice, then Buyer shall have the right, upon delivery to Seller and Escrow Holder (on or before three (3) business days following the expiration of Seller's Election Period) of a written notice to Seller and Escrow Holder to either waive Buyer's prior disapproval or to terminate this Agreement. In the event that Buyer elects to terminate this Agreement pursuant to the provisions of this subparagraph (b), Seller shall refund the Buyer's Deposit to Buyer in accordance with Paragraph 6, below, subject to any claim by Seller for liquidated damages pursuant to Paragraph 10(c), below ("**Liquidated Damages**").

(c) Condition of Title. Title to the Property shall be conveyed to Buyer at the Close of Escrow by grant deed (the "**Deed**") subject to the following ("**Permitted Exceptions**"):

(i) a lien to secure payment of general and special real property taxes and assessments that are not yet delinquent as of the Close of Escrow;

(ii) matters affecting the condition of title created by, or with the written consent of, Buyer, including, but not limited to, the Declaration and the deed of trust securing any loan(s) (the "**Buyer's Loan**") obtained by Buyer with respect to the purchase of the Property;

(iii) all exceptions that are disclosed by the Title Report (excluding the lien(s) of any deeds of trust shown thereon, which Seller agrees shall be released at Close of Escrow) which are approved or deemed approved by Buyer as provided herein, including, but not limited to, the recorded Declaration; and

(iv) all applicable laws, ordinances, rules and governmental regulations affecting the development, use, occupancy or enjoyment of the Property.

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Buyer(s) \_\_\_\_\_ / \_\_\_\_\_

Seller \_\_\_\_\_

(d) Estimated Close of Escrow and Conditions to the Close of Escrow. Except as otherwise provided in subparagraph (e), below, Escrow shall close on \_\_\_\_\_, 20\_\_ (the "*Estimated Closing Date*"), or before thirty (30) days, but not less than five (5) days, after Buyer receives notice from Seller that the Residence is ready for occupancy and Seller is prepared to close Escrow (the "*Closing Date*"). Seller's notice shall contain the scheduled Closing Date. Notwithstanding the above, the Closing Date shall not be more than eighteen (18) months after the Effective Date; provided, however that (i) prior to expiration of the eighteen (18) month outside deadline for the Closing Date, Buyer and Seller can agree in writing to an extension of the Closing Date (any such extension to be confirmed in writing signed by both parties; the "*Extended Closing Date*"), and (ii) Seller shall automatically be entitled to an extension of the eighteen (18) month outside deadline for the Closing Date for delays which are attributable to Force Majeure Events (as described in Paragraph 14(d), below). If the Escrow does not close prior to the expiration of the eighteen (18) month outside deadline for the close of Escrow, and Buyer and Seller have not agreed in writing to extend the Closing Date, then within fifteen (15) calendar days after the above-mentioned date or within fifteen calendar days of such extended closing date as may have been mutually agreed upon by the parties, Seller shall order all of the money remitted by Buyer under the terms of this Agreement or the Escrow instructions for the purchase of the Property to be refunded to Buyer. In the event that Seller elects to extend the Closing Date for reasons stated in (ii), above, Seller shall provide Buyer with written notice of that election within five (5) days of the event giving rise to the extension right and that notice shall include a reasonably detailed explanation of the reason why the extension is warranted. Buyer and Seller agree to execute such Escrow instructions as Escrow Holder may reasonably request in accordance with this Agreement. Notwithstanding the foregoing, any money that the Buyer has deposited in Escrow will not be returned to Buyer in accordance with this subparagraph (d) if an arbitrator has determined that the Buyer defaulted under this Agreement.

The foregoing notwithstanding, the Close of Escrow shall not occur until the following events have all occurred:

(i) Removal of Blanket Encumbrances. All blanket encumbrances affecting the Property, if any, as defined in California Business and Professions Code section 11013 have been fully released and reconveyed or the holder of the deed of trust has executed a release agreement pursuant to California Code of Regulations Title 10, section 2791.1(b)(2)(A), which agreement has been deposited with the Escrow Holder and Buyer has been provided with a policy of title insurance insuring against loss by reasons of the deed of trust, and until legal title is conveyed to Buyer;

(ii) Recordation of Notice of Completion and Receipt of a Certificate of Occupancy or Temporary Certificate. Seller has recorded a Notice of Completion, as defined in California Civil Code §8182 for the construction of all structures, landscaping, and other improvements on the Property to be constructed or installed pursuant to this Agreement or any amendments thereto and Seller has received a Certificate of Occupancy or a Temporary Certificate of Occupancy for the Residence;

(iii) Issuance of Title Insurance Indicating Absence of Mechanic's Liens (if applicable). The statutory period for recording of any mechanics' liens created by recordation of a Notice of Completion has expired, or Buyer is provided with a policy of title insurance and endorsement insuring Buyer against unrecorded mechanics' liens; and

(iv) Receipt of DRE Final Public Report and Delivery of Report to Buyer. In the event that this Agreement has been executed at a time when the Property and the Development are subject to a Conditional Public Report issued by the Department of Real Estate pursuant to the authority conferred by Business & Professions Code section 11018.2 and BRE Regulation section 2790.2, Escrow shall not close in this transaction and funds shall not be released and the Property shall not be conveyed to Buyer until such time as Final Public Report is been issued by the Department of Real Estate and is furnished to the Buyer. The entire sum of money paid or advanced by the Buyer shall be deposited in the Escrow pursuant to Business & Professions Code section 11013.2(a) and will be returned to the Buyer if the Final Public Report for the Development has not been issued within eighteen (18) months of the date of issuance of the Conditional Public Report or extension thereof; or the Buyer is dissatisfied with the Final Subdivision Public Report because of a material change in the offering pursuant to Business & Professions Code section 11012. See also Paragraph 16, below.

(e) **NO RIGHT TO DELAY CLOSING BY BUYER. IN THE EVENT THAT BUYER IS UNABLE OR UNWILLING TO CLOSE ESCROW IN ACCORDANCE WITH THIS PARAGRAPH 5, BUYER SHALL BE**

**DEEMED TO BE IN DEFAULT UNDER THE TERMS OF THIS AGREEMENT, AND SELLER MAY, IN SELLER'S SOLE DISCRETION, ELECT TO TAKE EITHER OF THE FOLLOWING ACTIONS:**

**(i) TERMINATE THIS AGREEMENT, IN WHICH CASE SELLER MAY RETAIN THE BUYER'S DEPOSIT AS LIQUIDATED DAMAGES AS PROVIDED HEREIN IF THE LIQUIDATED DAMAGES PROVISION IS INITIALED BY BOTH PARTIES OR OTHER LEGAL REMEDIES IF THE LIQUIDATED DAMAGES PROVISION IS NOT INITIALED, AND BUYER SHALL HAVE NO FURTHER RIGHT OR INTEREST IN THE PROPERTY; OR**

**(ii) EXTEND BUYER'S TIME TO CLOSE, IN WHICH CASE BUYER SHALL PAY TO SELLER AN AMOUNT EQUAL TO TWO HUNDRED DOLLARS (\$200.00) PER DAY (THE "EXTENSION FEE") FOR EACH DAY OF EXTENSION GRANTED BY THE SELLER. SUCH EXTENSION MUST BE GRANTED IN WRITING (THE "EXTENSION NOTICE") PRIOR TO THE ORIGINALLY SCHEDULED CLOSING DATE. THE EXTENDED CLOSING DATE WILL BE DESIGNATED AT THE TIME THE EXTENSION IS GRANTED ("EXTENDED CLOSING DATE") AND THE EXTENSION FEE WILL BECOME IMMEDIATELY DUE AND PAYABLE FOR EVERY DAY THROUGH TO AND INCLUDING THE REVISED CLOSING DATE.**

**THE BUYER SHALL SUBMIT THE EXTENSION FEE TO THE ESCROW HOLDER, HOWEVER, THE EXTENSION FEE SHALL NOT BE DEEMED AS PART OF THE DEPOSIT, BUT SHALL BE A SEPARATE CHARGE AND SHALL BE PAID TO SELLER AT THE CLOSE OF ESCROW OR UPON BUYER'S FAILURE TO CLOSE ESCROW. SUCH PAYMENTS SHALL NOT BE CREDITED AGAINST THE PURCHASE PRICE. SELLER MAY TERMINATE THIS AGREEMENT IF PAYMENT OF THE EXTENSION FEE IS NOT RECEIVED BY ESCROW HOLDER WITHIN TWO (2) DAYS OF BUYER'S RECEIPT OF THE EXTENSION NOTICE IN WHICH CASE SELLER MAY RETAIN (a) THE BUYER'S DEPOSIT AS LIQUIDATED DAMAGES AS PROVIDED HEREIN IF BOTH PARTIES HAVE INITIALED THE LIQUIDATED DAMAGES PROVISION, (b) ALL EXTENSION FEES AND (c) BUYER SHALL HAVE NO FURTHER RIGHT OR INTEREST IN THE PROPERTY.**

**(f) Failure to Close Escrow.** If the Escrow does not close on or before the Closing Date or the Extended Closing Date (if an extension is granted pursuant to subparagraph (e), above) then within fifteen (15) days after the scheduled Closing Date or Extended Closing Date, as the case may be, the Seller shall order all of the money remitted by Buyer under the terms of this Agreement for acquisition of the Property to be refunded to Buyer; provided, however that if a dispute exists regarding the reasons for termination and both parties have initialed the liquidated damages provision set forth in Paragraph 10(c), below, Seller shall have no obligation to tender such an order to the Escrow Holder and the issue of the parties' respective entitlement to the escrowed funds shall be determined in accordance with Paragraph 10(c), below. (Department of Real Estate Regulation §2791(a)). See also Paragraph 6, below.

**(g) Obligations of Escrow Holder at Closing.** At the Close of Escrow, Escrow Holder shall: (i) record all necessary documents in the appropriate County Recorder's Office; (ii) disburse all funds; (iii) at Buyer's expense, issue to Buyer's lender, if any, a lender's standard title policy insuring the lender's interest in the Property in the amount of the loan; (iv) at Buyer's expense, issue to Buyer a standard CLTA policy of title insurance policy insuring Buyer's title in the Property in the amount of the Total Purchase Price, free and clear of liens and encumbrances (except those created by Buyer) and subject to the lien of current taxes (not yet delinquent), the recorded Declaration and other documents referenced in Paragraph 2, above, and any easements, reservations, rights and rights of way of record; and (v) issue to Buyer a Deed giving Buyer title to the Property free and clear of any encumbrances, subject to the exceptions listed in the CLTA policy of title insurance.

**(h) Closing Costs.** Closing costs shall be paid in the following manner: (i) Buyer shall pay the documentary transfer tax on the Grant Deed; (ii) Buyer is responsible for all financing fees, including, but not limited to, origination fees, interest, discounts, credit reports, lender title policies, insurance charges, FHA/VA funding fees, mortgage insurance premiums, recording fees, appraisals and any other fees and costs charged by Escrow Holder or Buyer's lender for the Buyer's loan, whether or not the loan is made; (iii) Escrow Holder's escrow fees and all other customary escrow fees and costs shall be divided equally between Seller and Buyer; and (iv) any and all other applicable fees shall be paid by Buyer at the Close of Escrow

Buyer(s) \_\_\_\_\_ / \_\_\_\_\_

Seller \_\_\_\_\_

(i) Pro-rations. Pro-rations and adjustments of taxes and assessments shall be made by the Escrow Holder at the Close of Escrow on the basis of a thirty (30) day month and shall be made as of the date Buyer is given possession of the Property or as of the Closing Date, whichever shall first occur. Buyer is aware there is a possibility of additional taxes which may be assessed by the County Assessor after the Close of Escrow, due to improvements made to the Property and transfer of title, and Buyer agrees to be responsible for any additional taxes due as a result of such assessment. See also subparagraph 14(p), below.

(j) Agreement to Indemnify Escrow Holder. Buyer and Seller hereby agree to indemnify and hold Escrow Holder harmless, including reasonable attorneys' fees and costs, from any and all claims, damages or liabilities arising as a result of the termination of this Agreement, and Escrow Holder's disbursing the Buyer's Deposit or canceling the Escrow in accordance with the terms of this Agreement.

**6. Cancellation of Sale/Escrow; Return of Deposit.**

(a) Cancellation of Sale and Return of Deposits, Generally. Except as provided in subparagraphs (b) and (c), below, if Buyer or Seller gives written NOTICE OF CANCELLATION pursuant to rights duly exercised under the terms of this Agreement, Buyer and Seller agree to sign mutual instructions to cancel the sale and escrow and release deposits to the party entitled to the funds. Except as provided in Paragraph 10(c), below "**Liquidated Damages**"), release of funds from Escrow will require mutual, signed release instructions from both Buyer and Seller. A party may be subject to a civil penalty of up to \$1,000.00 for refusal to sign such instructions if no good faith dispute exists as to who is entitled to the deposited funds (see Civil Code §1057.3).

(b) Right to Withhold Return of Deposit Pending Resolution of Liquidated Damages Claim. The return of Buyer's Deposit shall also be subject to any claim by Seller for liquidated damages permitted pursuant to Paragraph 10(c), below if both parties have initialed the liquidated damages provision.

(c) Retention of Buyer's Deposits in the Event of Buyer's Default. In the event that Seller has used Buyer's deposits pending consummation of this Agreement under authorization of Business and Professions Code §11013.2(c) or §11013.4(b), Seller shall immediately, upon alleging Buyer's default, transmit to the Escrow Holder funds equal to all of Buyer's deposits so used.

**7. Buyer's Standard and Optional Selections.**

(a) Time for Selecting Options. Seller may offer Buyer various color selections and upgrades or extras on items that may be installed in the Residence constructed on the Property (collectively, "**Options**"). Buyer agrees to make its selection of floor, counter and/or appliance colors, surfaces and/or coverings, and its selection of any non-standard, upgraded or optional items depending upon the stage of construction within forty-five (45) days of the Effective Date. If Buyer fails to make timely selection as provided above, all colors, coverings and surfaces used in construction of the Residence shall be determined by Seller (but may not include upgrades or options chargeable to Buyer), and Buyer shall waive the right to select any non-standard, upgraded, or optional items. Prices of all options/upgrades are subject to change without notification prior to placing an order. Current pricing will be quoted at the time of purchase. Sales agent will give Buyer deadlines at the time of purchase on when they need to have their option selections chosen.

(b) Payment of Options. Buyer acknowledges that the Total Purchase Price shall be increased by the cost of Options selected. If Buyer selects any Options as offered by Seller and intends to finance the purchase of the Property, Buyer immediately shall deposit one hundred percent (100%) of the cost of the Options regardless whether the Buyer is using Seller's preferred lender, an outside lender, or is paying in cash (the "**Options Costs**"). Seller shall have no obligation to install any Options until all Options Costs are deposited into escrow. The Option Costs shall become part of the Deposit. The Options Costs may be immediately released to Seller providing the Seller has posted a bond. Otherwise the Options Costs shall be retained in Escrow and shall increase the amount that may be retained by Seller as liquidated damages in the event of Buyer's



default under this Agreement (see Paragraph 10(c), below). No interest shall be paid on the Options Costs. Buyer shall execute all appropriate escrow instructions as may be necessary. Buyer understands that payment for any Options selected shall be deposited at the time optional selections are made. Any Options selected and approved by Seller after the deadline will require payment of one hundred percent (100%) of the Option Costs at the time of selection by Buyer and approval by Seller.

Initials: Buyer _____ Buyer _____
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(c) Buyer's Default. Once Buyer selects Options, all selections made by Buyer are considered final. If Buyer wishes to change, cancel or otherwise alter selections after they have been made, Buyer acknowledges and understands that such changes and /or cancellations shall be at the sole discretion of the Seller. If such change and/or cancellation can be accommodated, Seller will determine cost and amount to be deposited by Buyer. Buyer agrees that if any non-standard, upgraded, or optional items are actually installed on the Residence and thereafter this Agreement is terminated for any reason other than default by Seller, Seller shall be entitled to a claim for liquidated damages permitted pursuant to Paragraph 10(c), below. If Buyer and Seller do not initial Paragraph 10(c), below, the Seller shall be entitled to any and all remedies provided by law.

(d) Option and Upgrade Financing. Should the Buyer wish to finance any or all Options with his/her home loan, the funds collected by Seller will act as a deposit, and will be credited back to the Buyer at the Close of Escrow. It is the responsibility of the Buyer to confirm with his/her loan officer of the intention to do so.

Initials: Buyer _____ Buyer _____
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**8. Construction Matters:**

(a) Substitutions and Changes in Construction from Model Home(s). The Residence shall be constructed in substantial conformance with the plans and specifications approved by the Town of Truckee Building Department as the building permit stamped set. Seller shall, however, have the right to make changes in materials, equipment and architectural and/or structural design of the Property and to substitute, eliminate or modify materials, appliances and fixtures in the Property from those used in the model residences or shown in the plans and specifications, provided that such modifications meet with the approval of the appropriate governmental entity or agency having jurisdiction over construction of the Property and the substitute or modified materials, appliances, and fixtures are of approximately equal or better quality and value. Changes may include, but shall not be limited to, variations in color, brand, grade and dimensions. If the substitutions are not in substantial conformance with the approved plans and specifications, Buyer shall have the right to cancel this Agreement in writing and to recover all Deposits paid.

(b) Insulation Disclosure. In order to comply with Federal Trade Commission Regulations and Rules dealing with the labeling and advertising of home insulation, Seller hereby advises Buyer that the type, thickness and R-value of all insulation installed or to be installed in the Property is as follows:

<u>Area insulated</u>	<u>Type</u>	<u>Thickness</u>	<u>R-Value</u>
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Buyer(s) \_\_\_\_\_ / \_\_\_\_\_

Seller \_\_\_\_\_

Exterior walls and walls  
Ceiling

R-Value means the resistance of insulation to heat transfer. The higher the R-Value, the greater the insulation power. Seller reserves the right to substitute a different type of insulation and/or insulation of a different thickness and/or insulation with a different R-Value of equal or better quality; provided, however, that Seller shall provide Buyer with a new disclosure setting forth the type, thickness, and R-Value of the insulation to be installed as soon as the information is available to Seller.

(c) Seller is Not Buyer's Contractor. Buyer acknowledges and agrees that Buyer is purchasing the Property as a completed Residence and Seller is not acting as a contractor for the Buyer in the construction of the Residence. Buyer shall acquire no right, title or interest in or to the Property except the right and obligation to purchase the Property, upon the completion of construction in accordance with the terms of this Agreement. Buyer agrees that direction and supervision of the working forces, including, but not limited to, any and all subcontractors, rests exclusively with Seller and Buyer agrees that it shall not issue any instruction to, or otherwise interfere with, the working forces. Should Buyer interfere with the working forces, or otherwise impede the construction (or construction schedule) of the Property, Buyer shall be considered to be in breach of this Agreement and Seller may terminate this Agreement, at Seller's election. Should Seller elect to terminate this Agreement, Seller may direct the Escrow Holder to return Buyer's deposit (less Escrow costs, charges and any and all other associated fees or charges) and Buyer and Seller shall be relieved of any further duties and obligations to each other resulting from this Agreement. Should Seller elect to proceed with the Close of Escrow, Buyer shall be responsible for any labor, material or equipment costs associated with Buyer's interference. Buyer acknowledges and agrees that it is purchasing the Property as a completed Residence and Seller did not act as a contractor for the Buyer in the construction of the Property.

(d) **CONSTRUCTION SITE ENTRY. CONSTRUCTION SITES ARE INHERENTLY DANGEROUS AND HAZARDS MAY EXIST THAT ARE NOT OBSERVABLE. BUYER AGREES NOT TO ENTER ANY PORTION OF THE DEVELOPMENT WHERE CONSTRUCTION IS PROCEEDING (THE "CONSTRUCTION SITE") WITHOUT THE EXPRESS PRIOR WRITTEN PERMISSION OF THE SELLER. BUYER ASSUMES ALL RISK OF PERSONAL INJURY AND DAMAGES RESULTING FROM ENTRY TO SUCH CONSTRUCTION SITE, AND FURTHER AGREES TO HOLD SELLER HARMLESS FROM ANY INJURY OR DAMAGES SUSTAINED OR SUFFERED BY BUYER AND BUYER'S INVITEES WHILE PRESENT AT THE CONSTRUCTION SITE. UNDER NO CIRCUMSTANCES MAY ANY WORK BE PERFORMED ON THE PROPERTY OR MATERIALS BE REMOVED FROM THE PROPERTY PRIOR TO THE CLOSE OF ESCROW BY BUYER OR ANY AGENTS OF BUYER, OR ANYONE OTHER THAN SELLER AND ITS AUTHORIZED AGENTS, WITHOUT SELLER'S WRITTEN CONSENT. SEE ALSO "BUYER'S RIGHT OF POSSESSION", BELOW. UNTIL THE CLOSING DATE, RECEIPT OF ALL MONIES REQUIRED OF BUYER TO CLOSE ESCROW AND THE RECORDATION OF THE DEED, SELLER SHALL RETAIN EXCLUSIVE POSSESSION OF THE PROPERTY.**

Initials: Buyer \_\_\_\_\_; Seller \_\_\_\_\_.

(e) Pre-Closing Orientation. On issuance of a Certificate of Occupancy for the Residence but Prior to Close of Escrow, Buyer agrees to participate in a walk-through of the Property ("**Orientation**") with Seller's representative in order to compile a list of items the parties mutually agree need correction, which are apparent at the time of inspection ("**Orientation List**"), which shall be signed by Buyer, Seller and Seller's representative. Buyer is advised that attendance at the Orientation shall be limited to Buyer and Buyer's registered broker (if applicable) or a third party designated in writing by Buyer to Seller in advance of the Orientation. If Buyer fails or refuses to complete the Orientation or to sign the Orientation List, or to have Buyer's designee do so on Buyer's behalf, then forty-eight (48) hours prior to the Close of Escrow Seller may either designate a qualified third party, who is not an agent or employee of Seller, to complete the inspection on Buyer's behalf before the Close of Escrow, or, at Buyer's election, Buyer may waive, in writing Buyer's right to participate in the Orientation inspection, in which case Seller shall conduct the inspection prior to the Close of Escrow. Buyer agrees that by executing an Orientation waiver or missing Orientation, Buyer pre-approves, without recourse, the findings of the Orientation conducted by Seller's qualified third party and presentation of materials.

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Buyer(s) \_\_\_\_\_ / \_\_\_\_\_

Seller \_\_\_\_\_

Seller agrees to correct, complete, repair or replace all items identified by the Seller and Buyer on the Orientation List prior to Close of Escrow by Seller, unless agreed upon otherwise by Seller and Buyer or unless such item is an Exception Item (defined below). The existence of such Orientation List shall not provide a basis for Buyer to cancel this Agreement, withhold funds at the Close of Escrow, or delay the Closing. In the event any Orientation List item(s) cannot be completed due to causes beyond the Seller's control, Seller, in its sole discretion, may grant an exception in writing ("**Exception Item**") and direct the Close of Escrow to proceed as scheduled without the completion of the Exception Items prior to Close of Escrow. Seller shall have the option to refuse to close escrow until Buyer has signed an Acknowledgement of Orientation Completion at the bottom of the Orientation List certifying satisfactory completion of all Orientation List items. If any items are identified as Exception Items, they will be so noted on the form. Any provision herein notwithstanding, no funds shall be withheld from Seller at the Close of Escrow for Exception Items. After the Close of Escrow, Seller shall have no further or continuing responsibility for periodic inspection, replacement, repairs, minor defects, housekeeping or maintenance or repair of improvements, except only for correction of Exception Items and such items as may be expressly covered by the Limited Warranty (defined in Paragraph 9(a), below).

Buyer's execution of the Pre-Closing Inspection Certificate and/or Buyer's failure to participate in the Orientation prior to the Close of Escrow shall not alter or waive any rights Buyer may have under any warranties extended by Seller or Buyer's right to tender a notice of claim to Seller under Civil Code §§896 and 897, a copy of which is attached as Attachment A to Exhibit G.

**(f) BUYER'S RIGHT TO POSSESSION. BUYER'S RIGHT TO POSSESSION, USE AND OCCUPANCY OF THE PROPERTY SHALL COMMENCE UPON THE CLOSE OF ESCROW AND THE RECORDATION OF THE GRANT DEED. PRIOR TO THESE EVENTS OCCURRING, NEITHER BUYER NOR BUYER'S DESIGNEE MAY:**

- (i) ENTER UPON THE PROPERTY OR THE BUILDING IN WHICH THE PROPERTY IS LOCATED FOR ANY PURPOSE WITHOUT THE EXPRESS WRITTEN CONSENT OF SELLER;**
- (ii) STORE ANY ITEMS ON THE PROPERTY OR WITHIN THE RESIDENCE; OR**
- (iii) PERFORM ANY WORK, OR CONTRACT WITH OTHERS TO PERFORM ANY WORK, ALTERATION OR IMPROVEMENT TO THE PROPERTY OR RESIDENCE.**

<b>Initials:</b> Buyer _____  Buyer _____
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**(g) Changes in the Development or Changes in Adjacent Properties.** Within the Development or adjacent land controlled by Seller, Seller reserves the right to make changes in its proposed land use, improvement plans, street pattern, or the type, style or price of any residence to be built. No statement by Seller or Seller's agents as to the present intended use of Seller's property shall affect Seller's right to make changes in the future. Seller makes no representations as to how such property shall be used except to disclose the zoning designations of adjoining parcels by referring Buyer to the Town of Truckee General Plan and the Town of Truckee Zoning Code, all of which may be changed by the Town in accordance with applicable law.

**9. Seller's Limited Warranty; Disclaimer of Other Warranties:**

**(a) Seller's Limited Warranty.** As part of the documentation accompanying this Agreement, Seller has provided Buyer with a one (1) year express limited warranty (the "**Limited Warranty**") against defects in workmanship and materials covering the building components of the Residence on the Property that are set forth in California Civil Code §900 in

Buyer(s) \_\_\_\_\_ / \_\_\_\_\_  
 Seller \_\_\_\_\_

connection with the Buyer's purchase of the Residential Unit. This warranty presently includes the fit and finish of cabinets, mirrors, flooring, interior and exterior walls, counter tops, paint finishes, and trim. As to items which are within the Residence, but which the Seller did not manufacture, such as the "consumer products" enumerated in the next succeeding subparagraph (b), Seller provides no warranty but will transfer to the Buyer any manufacturer's warranty as to such appliances and equipment. Notwithstanding anything to the contrary contained in this Agreement, Buyer acknowledges and agrees, in the event of any post-closing disputes in which it is determined that Seller has breached its contractual, statutory, or common law duties to Buyer, or has breached Seller's Limited Warranty, then Seller shall be liable only for the damages recoverable under Civil Code §944.

**(b) DISCLAIMER OF IMPLIED WARRANTIES. EXCEPT FOR THE LIMITED WARRANTY, SELLER DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED. SELLER SHALL MAKE AVAILABLE TO BUYER ALL WRITTEN WARRANTIES OF CONSUMER PRODUCTS WHICH MAY BE INSTALLED IN THE BUYER'S RESIDENCE, AS THE TERM "*CONSUMER PRODUCTS*" IS DEFINED IN THE UNITED STATES CODE, AND IN THE FEDERAL TRADE COMMISSION RULES AND REGULATIONS. BUYER AGREES TO LOOK SOLELY TO THE MANUFACTURERS AND NOT TO THE SELLER WITH RESPECT TO WARRANTIES ON SUCH CONSUMER PRODUCTS WHICH INCLUDE, BUT ARE NOT LIMITED TO, THE FOLLOWING AS APPLICABLE: FURNACE, AIR-CONDITIONER, EXHAUST FAN, THERMOSTAT, SMOKE DETECTORS, DOOR CHIMES, ELECTRIC METER, WATER METER, GAS METER, GARBAGE DISPOSAL, WATER HEATER, DISHWASHER, RANGE, OVEN, OVEN HOOD, WASHER, DRYER, REFRIGERATOR/FREEZER, MICROWAVE OVEN, AND OTHER SIMILAR ITEMS. BUYER FURTHER UNDERSTANDS THAT THIS LIST OF CONSUMER PRODUCTS IS DESCRIPTIVE AND THAT NOT ALL OF THE FOREGOING ITEMS MAY BE INSTALLED IN THE RESIDENCE.**

<b>Initials:</b>
Buyer _____
Buyer _____

**(c) LIMITATION OF AVAILABLE REMEDIES. BUYER AGREES THAT THE SOLE AND EXCLUSIVE REMEDY FOR THE BREACH OF THE SELLER'S LIMITED WARRANTY SHALL BE TO REPAIR OR REPLACE THE COMPONENT. BUYER OTHERWISE AGREES TO ASSUME ALL RISKS FROM A BREACH OF WARRANTY, INCLUDING, BUT NOT LIMITED TO, ALL ECONOMIC, CONSEQUENTIAL, AND EMOTIONAL DISTRESS DAMAGES. EXCEPT TO REPAIR OR REPLACE THE COMPONENT, SELLER SHALL NOT OTHERWISE BE LIABLE FOR ANY DAMAGE FOR BREACH OF WARRANTY. BY INITIALING BELOW, BUYER REPRESENTS THAT BUYER UNDERSTANDS THAT REPAIR OR REPLACEMENT UNDER THE SELLER'S LIMITED WARRANTY ARE EXPRESSLY CONDITIONED UPON SELLER OR SELLER'S AUTHORIZED AGENT BEING GRANTED A REASONABLE OPPORTUNITY TO REPAIR OR REPLACE SUCH COMPONENTS. BUYER AGREES THAT SELLER OR SELLER'S AUTHORIZED AGENT, AND NOT BUYER, SHALL DETERMINE THE MATERIAL AND METHODS TO BE USED IN EFFECTING REPAIRS AND/OR REPLACEMENTS PURSUANT TO THE LIMITED WARRANTY.**

<b>Initials:</b>
Buyer _____
Buyer _____

**(d) BUYER'S AGREEMENT TO FOLLOW PRESCRIBED CUSTOMER CARE AND MAINTENANCE PROCEDURES. IN ACCORDANCE WITH CIVIL CODE SECTION 907, BUYER UNDERSTANDS THAT BUYER IS OBLIGATED TO FOLLOW ALL REASONABLE INSPECTION AND MAINTENANCE OBLIGATIONS AND SCHEDULES COMMUNICATED IN WRITING TO THE BUYER BY THE SELLER AND ANY PRODUCT MANUFACTURERS OF "*CONSUMER PRODUCTS*," AS WELL AS**

Buyer(s) \_\_\_\_\_ / \_\_\_\_\_

Seller \_\_\_\_\_

COMMONLY ACCEPTED MAINTENANCE PRACTICES. FAILURE BY BUYER TO SATISFY THESE OBLIGATIONS MAY RESULT IN INVALIDATION OF WARRANTIES AND PROVIDE SELLER WITH A DEFENSE AS TO ANY CLAIM OF BREACH OF WARRANTY. BUYER AGREES TO FOLLOW THE MAINTENANCE REQUIREMENTS SET FORTH IN AND /OR REFERRED TO IN (i) THE RECORDED DECLARATION OF RESTRICTIONS (INCLUDING WITHOUT LIMITATION, THE STATED MAINTENANCE AND REPAIR OBLIGATIONS OF RESIDENCE OWNERS); (ii) SELLER'S LIMITED WARRANTY; AND (iii) ANY SUPPLEMENTAL HOME MAINTENANCE INFORMATION SUPPLIED BY SELLER TO BUYER AT OR BEFORE THE CLOSE OF ESCROW.

Initials:  
Buyer \_\_\_\_\_  
Buyer \_\_\_\_\_

(e) **PRE-LITIGATION INSPECTION AND RIGHT-TO-REPAIR PROCEDURES.** AS AUTHORIZED BY CIVIL CODE §910 ET SEQ., SELLER HAS ELECTED TO USE THE STATUTORY PRE-LITIGATION PROCEDURE TO RESOLVE CLAIMS MADE UNDER CALIFORNIA CIVIL CODE §§910-934. BUYER AND SELLER AGREE THAT ANY CLAIM MADE UNDER CIVIL CODE §910 SHALL BE RESOLVED IN ACCORDANCE WITH THE STATUTORY PRE-LITIGATION PROCEDURES SET FORTH IN CIVIL CODE §§910 THROUGH 934. IN THE EVENT THE CLAIM CANNOT BE RESOLVED USING THOSE STATUTORY PRE-LITIGATION PROCEDURES, THE CLAIM SHALL BE RESOLVED IN ACCORDANCE WITH THE BINDING RESOLUTION PROCEDURES SET FORTH IN THE ARBITRATION PROVISION SET FORTH IN PARAGRAPH 11(d), BELOW.

Initials:  
Buyer \_\_\_\_\_  
Seller \_\_\_\_\_

(f) **No Warranty of Future Prices.** The prices of other lots and residences within the Development are subject to various factors including market conditions. Seller does not warrant or represent that the prices which Seller or any other person will charge for residences within or near the Development shall be the same as, greater than, or less than, the prices disclosed to Buyer at the time of execution of this Agreement. Buyer assumes all risk that prices may increase, decrease or remain the same in the future.

**10. Pre-Closing Default, Liquidated Damages and Dispute Resolution:**

(a) **Default (Buyer).** Buyer shall be in default of this Agreement if Buyer fails to comply with any of the terms of this Agreement. If Buyer fails to complete the purchase of the Property because of Buyer's default, Seller shall be released from its obligation to sell the Property to Buyer and, unless the Liquidated Damages provisions set forth in subparagraph (c), below, is initialed by both parties, Seller may pursue any remedy in law or in equity that Seller may have against Buyer because of Buyer's default.

(b) **Default (Seller).** If Seller has not complied with Seller's obligations under this Agreement, Buyer must send Seller a notice that Buyer considers Seller to be in default and providing a reasonably detailed statement of the nature of the default. Upon receipt of that notice, Seller shall have ten (10) days in which to fulfill Seller's obligations. In the event that Seller does not fulfill its obligations prior to the expiration of the ten (10) day cure period, Buyer shall have the right to rescind this Agreement and to receive a refund of all monies that Buyer has paid to Seller. In the event that Buyer elects to terminate this Agreement in accordance with this subparagraph (b), under no circumstances will Seller be liable for any special, indirect or

Buyer(s) \_\_\_\_\_ / \_\_\_\_\_

Seller \_\_\_\_\_

consequential damages, including, without limitation, any damages based on claimed decrease in the value of the Property, even if Seller has been advised of the possibility of such damages.

**(c) LIQUIDATED DAMAGES IN THE EVENT OF BUYER'S FAILURE TO COMPLETE THE PURCHASE OF THE PROPERTY UNDER THIS AGREEMENT. THE PARTIES HEREBY AGREE THAT IN THE EVENT BUYER FAILS TO COMPLETE THE PURCHASE OF PROPERTY UNDER THIS AGREEMENT:**

(i) AN AMOUNT EQUAL TO THE DEPOSIT PLUS THE AMOUNT OF DEPOSITS CONCURRENTLY OR HEREAFTER MADE SHALL CONSTITUTE SELLER'S GOOD FAITH ESTIMATE OF THE PROBABLE COST OF TAKING THE PROPERTY BACK INTO SELLER'S INVENTORY, IT BEING AGREED THAT SELLER'S ACTUAL DAMAGES WOULD BE DIFFICULT TO COMPUTE AND THAT SAID AMOUNT OF LIQUIDATED DAMAGES BEARS A REASONABLE RELATIONSHIP TO SELLER'S PROBABLE ACTUAL DAMAGES IN THE EVENT OF BUYER'S DEFAULT. ACCORDINGLY, IN THE EVENT OF BUYER'S DEFAULT, SELLER SHALL BE ENTITLED TO RETAIN SUCH AMOUNT AS LIQUIDATED DAMAGES, SUBJECT TO SECTION 1675 SUBPARAGRAPHS (d) AND (e) OF THE CALIFORNIA CIVIL CODE (WHICH PERTAIN TO THE DETERMINATION OF THE REASONABLENESS OF LIQUIDATED DAMAGES WHEN THE AMOUNT CLAIMED BY SELLER AS LIQUIDATED DAMAGES EXCEEDS THREE PERCENT (3%) OF THE PURCHASE PRICE).

(ii) IN ACCORDANCE WITH CIVIL CODE SECTION 1678, IF MORE THAN ONE PAYMENT IS MADE BY BUYER WHICH ARE TO CONSTITUTE LIQUIDATED DAMAGES (SUCH AS PAYMENTS FOR OPTIONS AND UPGRADES OR ADDITIONAL DEPOSITS) THE AMOUNT OF ANY PAYMENT AFTER THE FIRST PAYMENT IS VALID AS LIQUIDATED DAMAGES ONLY IF (i) THE TOTAL OF SUCH PAYMENTS SATISFIES THE REQUIREMENTS OF CIVIL CODE SECTION 1675 AND (ii) A SEPARATE LIQUIDATED DAMAGES PROVISION IN SUBSTANTIALLY THIS FORM IS SIGNED OR INITIALED BY BOTH BUYER AND SELLER FOR EACH SUCH SUBSEQUENT PAYMENT.

(iii) THE PAYMENT OF THE LIQUIDATED DAMAGES TO SELLER SHALL CONSTITUTE THE EXCLUSIVE REMEDY OF SELLER AND SHALL BE IN LIEU OF ANY OTHER MONETARY RELIEF TO WHICH SELLER MIGHT OTHERWISE BE ENTITLED. PAYMENT OF THOSE SUMS TO SELLER AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE §§3275 OR 3369, BUT INSTEAD IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO §§1675, 1676 AND 1677 OF THE CALIFORNIA CIVIL CODE.

(iv) THE SUM STIPULATED AS LIQUIDATED DAMAGES SHALL BE PAYABLE TO SELLER OUT OF BUYER'S DEPOSIT(S) TOWARD THE PURCHASE PRICE OF THE PROPERTY ACCORDING TO THE FOLLOWING PROCEDURES:

(A) AT ANY TIME AFTER THE DATE PROVIDED HEREIN FOR THE CLOSE OF ESCROW, OR ANY EXTENDED DATE FOR CLOSING, SELLER SHALL GIVE WRITTEN NOTICE TO THE ESCROW HOLDER AND TO THE BUYER IN THE MANNER PRESCRIBED IN §116.340 OF THE CODE OF CIVIL PROCEDURE FOR SERVICE IN A SMALL CLAIMS ACTION, STATING THAT THE BUYER IS IN DEFAULT AND DEMANDING THAT THE ESCROW HOLDER REMIT TO THE SELLER THE LIQUIDATED DAMAGES AMOUNT FROM THE BUYER'S DEPOSIT HELD BY THE ESCROW HOLDER AS LIQUIDATED DAMAGES, UNLESS THE BUYER GIVES WRITTEN OBJECTION TO THE ESCROW HOLDER WITHIN TWENTY (20) DAYS FROM THE DATE OF RECEIPT OF THE SELLER'S NOTICE. THE BUYER SHALL HAVE TWENTY (20) DAYS FROM THE DATE OF RECEIPT OF THE SELLER'S NOTICE AND DEMAND IN WHICH TO GIVE THE ESCROW HOLDER BUYER'S WRITTEN OBJECTION TO DISBURSEMENT OF THE BUYER'S DEPOSIT AS LIQUIDATED DAMAGES AND INSTRUCTIONS TO THE ESCROW HOLDER NOT TO SO DISBURSE THE FUNDS THEN HELD IN ESCROW.

(B) IF BUYER GIVES SUCH WRITTEN OBJECTION AND INSTRUCTIONS TO ESCROW HOLDER, WITHIN TWENTY (20) DAYS AFTER THE RECEIPT OF SELLER'S NOTICE AND DEMAND, THE CONTROVERSY AND THE DISPOSITION OF THE FUNDS DEPOSITED INTO THE ESCROW BY BUYER, AND EVERY OTHER DISPUTE BETWEEN SELLER AND BUYER THAT HAS ARISEN UNDER THE PURCHASE AGREEMENT AND/OR CONSTRUCTION OF THE PROPERTY SHALL BE SETTLED BY BINDING ARBITRATION IN ACCORDANCE WITH SECTION 11(d), BELOW. ANY FEE TO INITIATE THE ARBITRATION SHALL BE PAID BY THE SELLER, PROVIDED THAT THE ARBITRATION COSTS AND FEES, INCLUDING ANY INITIATION FEE, ULTIMATELY SHALL BE BORNE AS DETERMINED BY THE ARBITRATOR. JUDGMENT UPON THE AWARD RENDERED BY THE ARBITRATOR(S) MAY BE ENTERED IN ANY COURT HAVING JURISDICTION THEREOF.

(C) IF BUYER FAILS TO GIVE TO ESCROW HOLDER, WITHIN TWENTY (20) DAYS AFTER RECEIPT OF SELLER'S NOTICE AND DEMAND, WRITTEN NOTICE OF BUYER'S OBJECTIONS: (1) ESCROW HOLDER SHALL PROMPTLY REMIT THE LIQUIDATED DAMAGES AMOUNT TO SELLER; AND (2) SELLER SHALL BE RELEASED FROM ANY OBLIGATION TO SELL THE PROPERTY TO BUYER.

(D) IF THE CONTROVERSY IS REFERRED TO ARBITRATION, THE PROVISIONS OF SECTION 11(d) SHALL APPLY

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

NOTE: IF BOTH BUYER AND SELLER DO NOT INITIAL THIS SECTION 10(c) IN THE SPACES PROVIDED BELOW, THIS SECTION IS NOT OPERATIVE; HOWEVER THE BALANCE OF THE AGREEMENT REMAINS OPERATIVE.

Initials: Buyer _____  Seller _____
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(d) SELLER'S REMEDIES IN THE EVENT OF A WRONGFUL FAILURE TO COMPLETE THE PURCHASE AND SALE AGREEMENT WITHOUT SPECIFIC AGREEMENT TO LIQUIDATED DAMAGES PURSUANT TO SECTION 10(c), ABOVE. UNLESS THE LIQUIDATED DAMAGES PROVISION SET FORTH IN SECTION 10(c), ABOVE, IS AGREED TO BY BUYER AND SELLER BY INITIALING WHERE PROVIDED ABOVE, IF BUYER FAILS TO COMPLETE BUYER'S PURCHASE OF THE PROPERTY IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS AGREEMENT BY REASON OF ANY DEFAULT OF BUYER, SELLER SHALL BE RELEASED FROM SELLER'S OBLIGATION TO SELL THE PROPERTY TO BUYER AND MAY PROCEED AGAINST BUYER UPON ANY CLAIM OR REMEDY THAT SELLER MAY HAVE IN LAW OR IN EQUITY.

Initials: Buyer _____  Seller _____
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**11. POST-CLOSING DISPUTE RESOLUTION; ARBITRATION OF DISPUTES:**

(a) Description of Disputes that are Subject to These Post-Closing Dispute Resolution Procedures. Any controversy, claim, cause of action, or liability (collectively, "*Disputes*") arising out of, or in any way related to: (i) this Agreement; (ii) the Property or the Residence constructed or to be constructed by the Seller, (iii) the Development; and/or {01021786;9}

Buyer(s) \_\_\_\_\_ / \_\_\_\_\_

Seller \_\_\_\_\_

(iv) defective design or construction, including without limitation Disputes alleging breach of contract, express or implied warranty, strict liability, negligence, nuisance, statutory violation, misrepresentation, and/or fraud, shall be resolved by the Dispute resolution process set forth in this Paragraph 11. Any Disputes, as so defined, are further classified as follows, with differing dispute resolution procedural rules and requirements applying to each category of Disputes, as stated in subparagraphs (i) through (iii), below:

(i) Disputes Relating to Defects in Construction – Buyer's Residence. This category of disputes includes any Disputes asserted by or on behalf of Buyer against any director, officer, shareholder, partner, employee or agent of Seller (collectively, "**Seller Parties**"), seeking recovery of damages relating to violations of the functionality standards set forth in Civil Code sections 896-897 (those Disputes are referred to herein as "**Construction Defect Disputes**"). See subparagraph (c), below.

(ii) Disputes Relating to Defects in Construction – Association Property. This category of disputes includes any Disputes by an owner's association having jurisdiction within the Development (if the Development is a common interest development) that is subject to Civil Code sections 6000 - 6150 (those Disputes are referred to herein as "**Calderon Disputes**") and shall be resolved in accordance with the applicable dispute resolution provisions contained in the Old Greenwood Master Association Declaration.

(iii) Other Disputes and Disputes Between Buyer and Seller. The third category of disputes includes any other dispute asserted by or on behalf of Buyer against Seller and any Seller Parties involving this Agreement (including, without limitation, Disputes for breach of contract, fraud, or misrepresentation), Disputes involving alleged breaches of the governing documents of the Development (including, without limitations, Disputes alleging a breach of any covenants, conditions and restrictions set forth in the Declaration identified in Paragraph 2, above, or Disputes for fraud or breach of fiduciary duty (if the Development is a common interest development, as defined in section 4100 of the Civil Code), and any Disputes involving alleged breaches of any other documents provided by Seller or any Seller Parties to Buyer in connection with the purchase of the Property. See subparagraph (d), below.

Collectively, the potential parties on either side of any Disputes, as defined above, shall be referred to in this Paragraph 10 as the "**Parties**".

(b) Resort to Customer Service and Warranty Programs. If Seller has a customer service program in effect to respond to property owner complaints regarding matters that are identified as Construction Defect Disputes that are identified in subparagraph (i), above, then those owners, including Buyer, are encouraged to endeavor to resolve those Claims with the Seller through the normal customer service procedures set forth in the customer service program, Limited Warranty, or in any contractual, warranty, or other builder-generated document. Buyer can contact Seller's customer service department at: \_\_\_\_\_.

As provided in Civil Code section 910(b), any requests that a Buyer makes pursuant to such warranties or customer service procedures are in addition to, and shall not constitute satisfaction of, the notice requirements identified in subparagraph (c), below that apply to Title 7 Claims. Alternatively, the Seller and a Buyer may mutually agree to resolve any Claim through a small claims court proceeding.

(c) Notice of Actions Against the Seller and Compliance with Applicable Non-Adversarial Pre-Litigation Dispute Resolution Procedures. As authorized by Civil Code section 910 et seq (the "**Builder's Right to Repair Law**"), the Seller has elected to use the statutory pre-litigation procedure to resolve Construction Defect Disputes made under the Builder's Right to Repair Law (as such sections may be amended from time to time). Chapter 4 of the Right to Repair Law (commencing with Civil Code section 912) sets forth certain notice and non-adversarial pre-litigation Claim resolution procedures with respect to any Construction Defect Disputes seeking recovery of damages relating to residential construction and/or violations of the functionality standards set forth in Civil Code sections 896-897. The notice requirements of this subparagraph (c) are in addition to any contractual notice requirements set forth in any limited warranty given to a Buyer by the Seller or any manufacturer of a product installed in the Buyer's Residence. In the event

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Buyer(s) \_\_\_\_\_ / \_\_\_\_\_

Seller \_\_\_\_\_



that Disputes involving the Association and defined in subparagraph (a)(ii), above as Calderon Disputes, are asserted by the Buyer and other owners, the Dispute resolution process set forth in Civil Code section 6000 shall be followed unless claims are also made under the Builder's Right to Repair Law and the procedures set forth in Chapter 4 of that law are substantially similar to the Calderon dispute resolution procedures (in which case the Chapter 4 procedures can be utilized in an effort to resolve all Disputes described in subparagraphs (a)(i) and (a)(ii), above (see Civil Code section 935).

(d) **ARBITRATION OF CLAIMS BETWEEN BUYER AND SELLER.** THE CONSTRUCTION AND SALE OF THE RESIDENCES INVOLVES INTERSTATE COMMERCE WITH TRADES AND SUPPLIERS OUTSIDE OF CALIFORNIA. ANY CLAIMS THAT ARE NOT RESOLVED PURSUANT TO SUBPARAGRAPHS (b) THROUGH (c) OF THIS PARAGRAPH 11 SHALL BE RESOLVED BY BINDING ARBITRATION PURSUANT TO THE FEDERAL ARBITRATION ACT (TITLE 9 OF THE UNITED STATES CODE) AND THE CALIFORNIA ARBITRATION ACT (TO THE EXTENT THE CALIFORNIA ARBITRATION ACT IS CONSISTENT WITH THE FEDERAL ARBITRATION ACT) PURSUANT TO THIS SUBPARAGRAPH (d) AND THE BUYER AND TH SELLER ARE GIVING UP ANY RIGHTS EITHER OF THEM MAY OTHERWISE POSSESS TO HAVE THE CLAIM LITIGATED IN A COURT OR JURY TRIAL. THE SELLER AND THE BUYER ARE GIVING UP THEIR RESPECTIVE JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THIS SUBPARAGRAPH (d). IF EITHER THE SELLER OR THE BUYER ASSERTING THE CLAIM REFUSES TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, SUCH PARTY MAY BE COMPELLED TO ARBITRATE UNDER THE FEDERAL ARBITRATION ACT AND THE CALIFORNIA ARBITRATION ACT, TO THE EXTENT THE CALIFORNIA ARBITRATION ACT IS CONSISTENT WITH THE FEDERAL ARBITRATION ACT.

(i) **RULES APPLICABLE TO ALL CASES.** THE ARBITRATION OF ANY CLAIMS BETWEEN BUYER AND THE SELLER SHALL BE CONDUCTED BY JUDICIAL ARBITRATION AND MEDIATION SERVICES ("JAMS") IN ACCORDANCE WITH THE RULES OF JAMS IN EFFECT UPON THE INITIATION OF THE ARBITRATION ("JAMS RULES"). THE FOLLOWING SUPPLEMENTAL RULES SHALL APPLY TO ALL ARBITRATION PROCEEDINGS AND SHALL GOVERN IN THE EVENT OF A CONFLICT BETWEEN THE RULES SET FORTH BELOW AND THE RULES OF JAMS.

(ii) **QUALIFICATIONS OF THE ARBITRATOR(S).** THE ARBITRATOR SHALL BE NEUTRAL AND IMPARTIAL AND EITHER A RETIRED JUDGE OR A MEMBER OR FORMER MEMBER OF THE CALIFORNIA STATE BAR WITH AT LEAST FIFTEEN (15) YEARS EXPERIENCE AS A PRACTICING LAWYER IN THE AREA OF CONSTRUCTION AND RESIDENTIAL REAL ESTATE.

(iii) **APPOINTMENT OF THE ARBITRATOR.** THE ARBITRATOR TO PRESIDE OVER THE CLAIM SHALL BE SELECTED IN ACCORDANCE WITH THE JAMS RULES, BUT NO LATER THAN SIXTY (60) DAYS AFTER A NOTICE OF CLAIM IS FILED.

(iv) **EXPENSES.** ALL FEES CHARGED BY JAMS AND THE ARBITRATOR SHALL BE ADVANCED BY THE SELLER. IF THE SELLER IS THE PREVAILING PARTY IN THE ARBITRATION, THE ARBITRATOR MAY, IN HIS OR HER DISCRETION AND ONLY TO THE EXTENT PERMITTED BY LAW AND THE JAMS RULES, DIRECT THE BUYER ASSERTING THE CLAIM TO REIMBURSE THE SELLER ALL OR PART OF THE JAMS FEE AND ARBITRATOR'S FEE ADVANCED BY THE SELLER.

(v) **VENUE.** THE VENUE OF THE ARBITRATION SHALL BE IN NEVADA COUNTY, UNLESS THE PARTIES AGREE IN WRITING TO ANOTHER LOCATION.

(vi) **PRELIMINARY PROCEDURES.** IF STATE OR FEDERAL LAW REQUIRES THE BUYER ASSERTING THE CLAIM OR THE SELLER TO TAKE STEPS OR PROCEDURES BEFORE COMMENCING AN ACTION IN COURT, THEN THE BUYER OR THE SELLER MUST TAKE SUCH STEPS

OR FOLLOW SUCH PROCEDURES, AS THE CASE MAY BE AND AS STATED IN SUBPARAGRAPH (c), ABOVE, BEFORE COMMENCING THE ARBITRATION.

(vii) PARTICIPATION BY OTHER PARTIES. THE BUYER ASSERTING THE CLAIM AND THE SELLER SHALL BOTH BE ENTITLED TO HAVE ALL NECESSARY AND APPROPRIATE PARTIES INCLUDED AS PARTIES TO THE ARBITRATION.

(viii) RULES OF LAW. THE ARBITRATOR MUST FOLLOW CALIFORNIA SUBSTANTIVE LAW (INCLUDING STATUTES OF LIMITATIONS). HOWEVER, STRICT CONFORMITY WITH THE RULES OF EVIDENCE IS NOT REQUIRED, EXCEPT THAT THE ARBITRATOR SHALL APPLY APPLICABLE LAW RELATING TO PRIVILEGE AND WORK PRODUCT. THE ARBITRATOR SHALL BE AUTHORIZED TO PROVIDE ALL RECOGNIZED REMEDIES AVAILABLE AT LAW OR EQUITY FOR ANY CAUSE OF ACTION.

(ix) ADDITIONAL RULES APPLICABLE TO CERTAIN CASES. IN ANY ARBITRATION IN WHICH A CLAIM OF THE BUYER OR THE SELLER EXCEEDS \$250,000 IN VALUE, THE FOLLOWING ADDITIONAL RULES WILL SUPPLEMENT THE JAMS RULES AND GOVERN IN THE EVENT OF A CONFLICT BETWEEN THE FOLLOWING RULES AND THE RULES SET FORTH ABOVE, THE JAMS RULES, OR BOTH.

(A) QUALIFICATIONS OF ARBITRATOR. IN ADDITION TO THE REQUIREMENTS OF SUBPARAGRAPH (ii), ABOVE, THE ARBITRATOR SHALL BE A RETIRED JUDGE OF THE CALIFORNIA SUPERIOR COURT, A CALIFORNIA COURT OF APPEAL, OR THE CALIFORNIA SUPREME COURT.

(B) RULES OF LAW. THE CALIFORNIA EVIDENCE CODE SHALL APPLY.

(C) WRITTEN DECISION. WITHIN THIRTY (30) DAYS AFTER THE HEARING IS CLOSED, THE ARBITRATOR MUST ISSUE A WRITTEN DECISION. IF EITHER THE BUYER ASSERTING THE CLAIM OR THE SELLER REQUESTS IT, THE ARBITRATOR MUST ISSUE A REASONED DECISION.

(x) FINAL AND BINDING AWARD. THE DECISION OF THE ARBITRATOR OR, IF AN APPEAL IS HEARD, THE DECISION OF THE APPEAL ARBITRATORS, SHALL BE FINAL AND BINDING. A PETITION TO CONFIRM, VACATE, MODIFY OR CORRECT AN AWARD OF THE ARBITRATORS MAY BE FILED IN ANY COURT OF COMPETENT JURISDICTION IN THE COUNTY IN WHICH THE PROPERTY IS LOCATED, BUT THE AWARD MAY BE VACATED, MODIFIED OR CORRECTED ONLY AS PERMITTED BY THE FEDERAL ARBITRATION ACT.

(xi) SEVERABILITY. IN ADDITION TO AND WITHOUT LIMITING THE EFFECT OF ANY GENERAL SEVERABILITY PROVISIONS OF THIS AGREEMENT, IF THE ARBITRATOR OR ANY COURT DETERMINES THAT ANY PROVISIONS OF THIS SUBPARAGRAPH (d) ARE UNENFORCEABLE FOR ANY REASON, THAT PROVISION SHALL BE SEVERED AND THE PROCEEDINGS AGREED TO IN THIS SUBPARAGRAPH (d) SHALL BE CONDUCTED UNDER THE REMAINING ENFORCEABLE TERMS OF THE PARAGRAPH.

(xii) APPLICATION OF AWARD. IT IS THE SELLER'S INTENTION THAT THE RESIDENCE WILL BE FREE OF CONSTRUCTION DEFECTS. IF BUYER SHOULD CLAIM THAT ANY CLAIM EXISTS WITH RESPECT TO THE PROPERTY OR THE DEVELOPMENT, INCLUDING CONSTRUCTION DEFECTS, BUYER AGREES THAT ANY PROCEEDS AWARDED TO A BUYER ARISING FROM ANY SUCH CLAIM WHETHER BY SETTLEMENT, AWARD OR OTHERWISE, MUST BE APPLIED ONLY TO CURING THE CONDITION OR CONSTRUCTION WHICH WAS THE BASIS OF THE BUYER'S CLAIM.

Buyer(s) \_\_\_\_\_ / \_\_\_\_\_

Seller \_\_\_\_\_

**NOTICE: BY INITIALING IN THE SPACE BELOW BUYER IS 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 THE FEDERAL ARBITRATION ACT (TITLE 9 OF THE UNITED STATES CODE) AND THE CALIFORNIA ARBITRATION ACT (TO THE EXTENT THE CALIFORNIA ARBITRATION ACT IS CONSISTENT WITH THE FEDERAL ARBITRATION ACT). IF BUYER REFUSES TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, BUYER MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. BUYER'S AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.**

**BY INITIALING THIS PROVISION, BUYER ACKNOWLEDGES THAT BUYER HAS READ AND UNDERSTANDS THE FOREGOING PROVISIONS OF THIS SUBPARAGRAPH 11(c) AND AGREES TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISIONS TO NEUTRAL ARBITRATION.**

<b>Initials:</b> Buyer _____  Seller _____
---

**12. Notices to the Parties:**

(a) Notices Generally. All notices of claims made pursuant to the Seller's Limited Warranty (Paragraph 9(a), above) must be in writing and delivered to the addresses of the Parties set forth below. All notices of default must be sent by certified or registered mail, return receipt requested, or receipt of hand delivery. Notices are deemed received two (2) days after mailing or on the date shown on the receipt or hand delivery. Either party may change its address for the purposes of this Paragraph by giving written notice in the manner set forth herein.

(b) Notices to Seller Regarding Construction Defect Claims. All notices of claims made pursuant to Civil Code sections 910 et seq., must be in writing and delivered to the Seller's agent for service. Seller's agent for service of notices pursuant to Chapter 4 of Title 7, § 912 (e) of the California Civil Code, shall be:

Village at Gray's Crossing LLC  
a California limited liability company  
140 Heron Way,  
Merced, CA 95341

(c) Notification of Change in Address. Buyer understands and acknowledges that Buyer is responsible for advising Seller of any change in Buyer's address from the address stated in this Agreement, and Seller shall be entitled to rely upon the address of Buyer stated in this Agreement unless and until it has been changed by Buyer in the manner set forth in this Paragraph 12. If a notice cannot be served on Seller's agent at the above-referenced address because the agent is no longer located at the address or the agent has changed and Seller has not provided Buyer with an updated address or the name and/or address of the new agent, Buyer may serve the claim notice on Seller's agent for service of process on file with the California Secretary of State's office in Sacramento, California.

<b>Initials:</b> Buyer _____  Buyer _____
--

\_\_\_\_\_

**13. Broker' Commission:** Seller shall pay through Escrow, in cash, at the Close of Escrow, a real estate commission(s) for services rendered in connection with this Agreement to Jeff Brown (DRE Lic. No. 01322672) ("**Seller's Broker**"). Buyer and Seller acknowledge that no other broker's commission or finder's fee is payable with regard to this transaction. Buyer agrees to indemnify and hold Seller harmless from and against all liability, claims, demands, damages, or costs or any kind arising from or connected with any broker's or finder's fee or commission or charge claimed to be due any persons arising from Buyer's conduct with respect to this transaction, other than the commission authorized in this Paragraph 13. Buyer is aware that Seller's Broker is an agent of the Seller exclusively and acknowledges receipt of the disclosure regarding real estate agency relationships in the form attached as Exhibit "D" to this Agreement.

Check only if applicable [  ]: Referring Agent: \_\_\_\_\_ is a Referring Agent only and not a party to this Agreement. Buyer and Seller acknowledge and agree that Referring Agent has merely introduced Buyer to the Property and does not represent Buyer or Seller in this transaction. Buyer further acknowledges and agrees that any agency relationship with Referring Agent is terminated for this Property on the Effective Date. Compensation to \_\_\_\_\_, is \$ \_\_\_\_\_ or \_\_\_\_\_ percent of the Purchase Price.

**14. Miscellaneous Provisions:**

(a) Assignments; Successors and Assigns. This Agreement may not be assigned by the Buyer without written consent of Seller, which consent may be granted or withheld by Seller in the Seller's absolute discretion. Neither Buyer nor Buyer's agent may sell or market the Property to others, or sign any agreement for the listing, sale or transfer of the Property until after the Close of Escrow. Violation of the foregoing shall constitute a material breach of this Agreement entitling Seller, at Seller's option, to terminate this Agreement, and to retain Buyer's Deposit pursuant to Paragraph 10(c) of this Agreement (if both parties have initialed Paragraph 10(c), above). This Agreement shall bind the heirs, executors, administrators, and successors of the parties, and their assigns (subject to the limitations stated above). Seller may assign all of Seller's right, title, and interest under this Agreement, including, without limitation, all right, title and interest in any down payment or earnest money deposits.

(b) Cooperation/Non-Interference. Buyer shall cooperate with Seller in the process of completing the construction and delivery of the Property by meeting required deadlines and providing such cooperation as may be reasonably requested by Seller. Buyer shall not interfere with the work in progress in any manner, including, without limitation, by unauthorized visits to the construction site, by directing or attempting to direct, or advise construction personnel on methods of completion or installation, by requesting custom work (other than that agreed to by Buyer and Seller in writing) or by any other activity that would interfere with completion of the Property on a timely basis.

(c) Destruction of the Property. If prior to the Close of Escrow, any portion of the improvements constituting the Property is damaged due to any casualty, Seller shall repair the damage at Seller's sole cost and expense and the Closing Date shall not occur until such damage has been repaired. However, if the uninsured cost of repairing the damage to the Property exceeds Twenty-Five Thousand Dollars (\$25,000.00), Seller may elect, in Seller's sole discretion, to terminate this Agreement in which event Buyer and Seller shall have no further obligations to each other under the Agreement and the Deposit shall be returned to Buyer. Seller shall pay any cancellation fee charged by the Escrow Holder.

(d) Force Majeure Events. Seller is not responsible for Force Majeure Events that result in what might otherwise be a breach of Seller's obligations under this Agreement. The term "**Force Majeure Events**" means and refers to events which are beyond Seller's reasonable control, including, but not limited to, strikes, boycotts, unavailability of materials, labor shortages, delays in receiving materials, governmental interferences in the market place, moratoriums, civil riot, insurrection, war, acts of terrorism, foreign military commitments, flood, fire, earthquake, Acts of God, unusually severe weather, delays or inaction of independent contractors, or delays caused by conditions imposed on the project (or any part thereof) by any governmental entity resulting in significantly increased costs or delays in the prosecution or completion of the project.

Buyer(s) \_\_\_\_\_ / \_\_\_\_\_  
Seller \_\_\_\_\_

(e) Homeowners Association Matters.

(i) Membership in Village at Gray's Crossing Townhome Association and Master Association.

Because the Development is a statutory planned development, California law requires that the Development be governed by an association comprised of the Development's Lot Owners. The name of that association is The Village at Gray's Crossing Townhome Association and it is a California nonprofit mutual benefit corporation (the "**Association**"). At the close of escrow and conveyance of title, Buyer will become a member of not only the Association, but also the Master Association for The Village at Gray's Crossing. The obligation to pay Assessments to the Association and the Master Association shall commence on the first day of the month following the closing date of the first sale of a Lot under authority of a Public Report issued by the Department of Real Estate.

(ii) Governing Documents. Buyer acknowledges that as Owner of the Lot, Buyer shall (a) be subject to the provisions of and restrictions contained in the Declaration, Master Declaration, the Subdivision Map and all other documents creating and governing the Project as shown in Exhibit "C" (collectively, the "**Governing Documents**"), including the obligation to pay Assessments to Buyer's share of Association and Master Association expenses as provided therein, (b) automatically become a member of the Association and Master Association, (c) be governed by the Governing Documents, including without limitation the Association's Articles, Bylaws, and rules and regulations from time to time in effect, and (d) be governed by additional Project Documents as set forth in Exhibit "B".

(iii) Seller's Right to Make Changes to the Governing Documents. Seller reserves the right to amend the Governing Documents at any time or from time to time prior to the Close of Escrow as Seller may deem necessary or desirable to make corrections or to meet the requirements of applicable laws, governmental regulations, lending institutions, marketing programs, or otherwise, so long as the amendments do not materially adversely affect the value of the Lot. Buyer acknowledges that Seller has reserved additional rights to amend the Governing Documents after the Close of Escrow for the purposes and under the conditions set forth in the Governing Documents of the Association.

(f) Interpretation. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the purposes of the parties and this Agreement. Buyer and Seller acknowledge that changes in the economic conditions during the escrow period may cause the terms and conditions to not appear as satisfactory as when the Agreement is signed. Nonetheless, Buyer and Seller agree they are bound to such terms and conditions and agree to take all necessary and appropriate actions to cause Escrow to close in a timely fashion.

(g) Amendments. All amendments or other modifications of this Agreement must be in writing and signed by the parties hereto.

(h) Time. Time is of the essence in this Agreement.

(i) Severability. Should any provision or portion of this Agreement be declared invalid or in conflict with any law of the jurisdiction where the Development is situated, the validity of all other provisions and portions of this Agreement shall remain unaffected and in full force and effect. The parties further agree to replace any such invalid, illegal or unenforceable portion with a valid and enforceable provision which will achieve, to the extent possible, the economic, business or other purposes of the invalid, illegal or unenforceable portion.

(j) No Waiver. The waiver by Seller of any term, condition or provision of this Agreement shall not be construed as a waiver of any other term, condition or provision of this Agreement.

(k) Entire Agreement. This Agreement, together with the documents listed in the Master Exhibit List and the Exhibits attached hereto, constitute the sole and entire agreement between Buyer and Seller for the purchase and sale of the Property. All understandings between the parties are incorporated in this Agreement. Its terms, including the exhibits and

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Buyer(s) \_\_\_\_\_ / \_\_\_\_\_

Seller \_\_\_\_\_

addenda incorporated herein, are intended by the parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter. No addition or modification of any term or provision of this Agreement shall be effective except in a writing signed by Buyer and Seller. Any right or duty described herein that by its terms extends beyond the Close of Escrow shall survive the Close of Escrow and remain in full force and effect in accordance with its terms.

(l) Buyer's Offer. Buyer has read and understood the provisions of this Agreement and offers and agrees to purchase the Property on these terms. Buyer further understands that this Agreement initially is an offer only and will not become a binding contract until accepted by Seller, that Seller may accept or reject Buyer's offer for any reason or for no reason, that the Buyer's offer is subject to the possible acceptance of Seller of an offer from another Buyer. Buyer grants the undersigned agent the irrevocable right for a period of five (5) days from the date hereto to obtain an acceptance of this offer by Seller. The signature of the sales person who signs the receipt for the Deposit is not an acceptance by Seller. A valid acceptance of this offer requires a signature of a representative of Seller who is authorized to accept Buyer's offer.

(m) FIRPTA. The Foreign Investment and Real Property Tax Act (FIRPTA) requires a Buyer purchasing real property from a foreign person to withhold tax from the sale proceeds unless an exemption applies. Seller agrees to provide Buyer with a certification establishing that no federal income tax is required to be withheld under FIRPTA.

(n) Headings; Pronouns. The headings of this Agreement are for convenience only and do not in any way limit or amplify the terms or provisions of this Agreement. All pronouns and variations thereof shall be deemed to refer to the masculine, feminine or neuter, and to the singular or plural, as the identity of the party or parties may require.

(o) Calendar Days. Unless otherwise specified, all periods of time referred to in this Agreement shall include all Saturdays and Sundays and any holidays. In the event the day upon which any action is required to be taken under the terms of this Agreement is not a business day, the action shall be taken on the next succeeding business day.

(p) Reassessment Notice. The Property may be reassessed on the change of ownership. The reassessment will be effective as of Close of Escrow and a supplemental tax bill may be sent to the Buyer requiring the payment of additional property taxes. It shall be the responsibility of the Buyer to pay this supplemental tax bill. If the impound account for the payment of property taxes is in use, the amount of impound payments may increase.

(q) Megan's Law. The California Department of Justice, sheriff's departments, police departments serving jurisdictions of 200,000 or more residents, and many other local law enforcement authorities maintain for public access a data base of the locations of persons required to register pursuant to paragraph (1) of subdivision (a) of section 290.4 of the California Penal Code. The database is updated on a quarterly basis and provides a source of information about the presence of these individuals in any neighborhood. The Department of Justice also maintains a sex offender identification line through which inquiries about individuals may be made. This is a "900" telephone service. Callers must have specific information about individuals they are checking. Information regarding neighborhoods is not available through the "900" telephone service.

(r) Counterparts. 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.

(s) Default by Buyer. Without in any manner limiting any other provision of this Agreement, any of the following actions or failures to act by Buyer under this Agreement, without limitation, constitutes a material default of the Buyer under this Agreement:

- (i) Failure to submit a complete loan package (if applicable) on a timely basis;
- (ii) Failure to comply with all requirements of lender, if any;
- (iii) Failure to make any Deposit due under this Agreement on a timely basis;
- (iv) Any voluntary act of Buyer taken for the purpose of preventing lender from approving Buyer's loan;
- (v) Failure of Buyer to safeguard Buyer's funds so that sufficient funds are available to make all deposits and to close escrow;

- (vi) Any attempt by Buyer to assign its rights in violation of this Agreement, or to attempt to arrange a double escrow; or
- (vii) Failure to close escrow on time.

(t) Attorneys' Fees. Except as provided in Paragraph 11 above, in any lawsuit, action, arbitration, quasi-judicial proceeding, administrative proceeding, or any other proceeding brought by either party to enforce any of such party's rights or remedies under this Agreement, including any action or proceeding for declaratory relief, the prevailing party shall be entitled to reasonable attorneys' fees and all costs, expenses and disbursements in connection with such action or proceeding, including, but not limited to, all costs of reasonable investigation, and all costs associated with expert witnesses and consultants, which sums may be included in any judgment or decree entered in such action in favor of the prevailing party.

**15. Exhibits:**

**BUYER ACKNOWLEDGES RECEIPT OF THE MASTER EXHIBIT LIST, ADDENDA, EXHIBITS AND DISCLOSURES ATTACHED HERETO AND IDENTIFIED ON THE MASTER EXHIBIT LIST AND WHICH ARE INCORPORATED INTO THIS AGREEMENT BY REFERENCE HEREIN, AND BUYER AGREES TO BE BOUND BY ALL THE TERMS AND PROVISIONS SET FORTH THEREIN. SELLER MAY DELIVER ADDITIONAL ADDENDA OR DISCLOSURES TO BUYER IN CONNECTION WITH THE SALE OF THE PROPERTY, THE RECEIPT OF WHICH SHALL BE ACKNOWLEDGED IN WRITING BY BUYER AND THEREAFTER SHALL BE INCORPORATED INTO THE TERMS OF THIS AGREEMENT.**

**BUYER SHALL PROVIDE COPIES OF THESE DOCUMENTS TO ANY SUBSEQUENT BUYER OF THE PROPERTY FROM BUYER AS REQUIRED BY CIVIL CODE §912(h).**

**16. Delivery of Conditional Public Report. IN THE EVENT THE FINAL PUBLIC REPORT IS NOT AVAILABLE AT THE TIME OF EXECUTION OF THIS AGREEMENT, BUYER ACKNOWLEDGES THAT BUYER HAS RECEIVED AND HAS HAD THE OPPORTUNITY TO READ PRIOR TO THE EXECUTION OF THIS AGREEMENT, THE CALIFORNIA DEPARTMENT OF REAL ESTATE'S CONDITIONAL SUBDIVISION PUBLIC REPORT COVERING THE DEVELOPMENT. BUYER AGREES TO EXECUTE AND DELIVER TO SELLER A RECEIPT FOR THE CONDITIONAL PUBLIC REPORT DELIVERED HEREUNDER AND FURTHER AGREES TO REVIEW THE FINAL PUBLIC REPORT AND TO SIGN AND DELIVER TO SELLER THE RECEIPT FOR FINAL PUBLIC REPORT ATTACHED THERETO WITHIN THREE (3) DAYS OF BUYER'S RECEIPT THEREOF. SELLER SHALL RETURN BUYER'S DEPOSIT IF A FINAL SUBDIVISION PUBLIC REPORT HAS NOT BEEN ISSUED DURING THE INITIAL TERM OF THE CONDITIONAL PUBLIC REPORT, OR AS EXTENDED. BUYER MAY RESCIND THIS AGREEMENT IF, IN THE REASONABLE BELIEF OF BUYER AND PURSUANT TO SECTION 11012 OF THE BUSINESS AND PROFESSIONAL CODE, THE DEVELOPMENT OR THE PROPERTY THAT IS THE SUBJECT OF THIS AGREEMENT HAS BEEN MATERIALLY ALTERED SINCE THE CONDITIONAL PUBLIC REPORT IN A MANNER THAT, IN BUYER'S REASONABLE DETERMINATION, IS SO SUBSTANTIAL IN NATURE AS TO MATERIALLY AND ADVERSELY AFFECT BUYER'S RIGHTS AS AN OWNER OF A RESIDENCE AND LOT IN THE DEVELOPMENT. IF BUYER FAILS TO GIVE SELLER NOTICE OF ITS ELECTION TO RESCIND WITHIN THREE (3) BUSINESS DAYS OF BUYER'S RECEIPT OF THE FINAL PUBLIC REPORT, THEN BUYER SHALL BE DEEMED TO HAVE WAIVED ANY SUCH DEFECT AND ACCEPTED THE FINAL PUBLIC REPORT AS SATISFACTORY.**

[signature page to follow]

Buyer(s) \_\_\_\_\_ / \_\_\_\_\_

Seller \_\_\_\_\_

**OFFER TO PURCHASE BY BUYER:**

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

**BUYER:**

\_\_\_\_\_  
[Buyer's signature]

\_\_\_\_\_  
[Buyer's signature]

**RECEIPT FOR DEPOSIT:**

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

**SALES REPRESENTATIVE:**

[Signature is not acceptance]

\_\_\_\_\_  
[Broker's Agent Signature]

DRE License #: \_\_\_\_\_

**ACCEPTANCE BY SELLER:**

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

**VILLAGE AT GRAY'S CROSSING LLC,**  
a California limited liability company

**By:** \_\_\_\_\_  
Brad Ardis, Authorized Member



**MASTER EXHIBIT LIST  
TO THE AGREEMENT OF PURCHASE AND SALE  
DOCUMENTS AND DISCLOSURE ADDENDUM**

ALL OF THE DOCUMENTS LISTED BELOW ARE IMPORTANT TO THE PURCHASE OF THE PROPERTY, SHOULD BE READ BY BUYER AND, AT THE CLOSE OF ESCROW, SHALL BE DEEMED TO HAVE BEEN READ AND APPROVED BY BUYER. BUYER IS ADVISED TO RETAIN ALL DOCUMENTS FOR FUTURE REFERENCE. COPIES OF THESE DOCUMENTS SHOULD BE GIVEN TO ANY PERSON(S) WHO MAY IN THE FUTURE PURCHASE THE PROPERTY FROM BUYER. BY EXECUTING THIS AGREEMENT AND INITIALING BESIDE THE DESCRIPTION OF EACH DOCUMENT, BUYER(S) HEREBY ACKNOWLEDGES RECEIPT OF COPIES OF THE FOLLOWING.

DOCUMENT	DESCRIPTION	BUYER'S INITIALS	BUYER'S INITIALS
A.	Conditional/Final Public Report with acknowledgment of receipt		
B.	General Disclosure		
C.	Association Documents: <ul style="list-style-type: none"> <li>1. Declaration of Covenants Conditions and Restrictions (CCRs)</li> <li>2. Articles of Incorporation</li> <li>3. Bylaws</li> <li>4. Budget</li> </ul>	_____ _____ _____ _____	_____ _____ _____ _____
D.	Disclosure and Confirmation Regarding Real Estate Agency Relationship		
E.	Preliminary Title Report		
F.	Natural Hazards Disclosure, Acknowledgment and Addendum		
G.	Notice of Senate Bill 800 - Builder's Right to Repair Law		

<b>H.</b>	Mold and Mildew Disclosure		
<b>I.</b>	Limited Warranty		

**EXHIBIT "A"**

**CONDITIONAL/FINAL DEPARTMENT OF REAL ESTATE PUBLIC REPORT**

**EXHIBIT "B"**

**GENERAL DISCLOSURES EXHIBIT**

This Exhibit B is attached to and made part of the Purchase and Sale Agreement, Earnest Money Receipt and Escrow Instructions (the "**Agreement**") entered into as of its date of execution between Village at Gray's Crossing LLC, a California limited liability company ("**Seller**") and \_\_\_\_\_ ("**Buyer**") for the sale of Lot No. \_\_\_\_\_ at The Village at Gray's Crossing Townhomes.

**I. ADJACENT LAND USES**

1. Airport In The Vicinity: Buyer's are hereby notified that the Development is located in the vicinity of Truckee Tahoe Airport. Accordingly, the Development is located within an overflight zone for aircraft to and from Truckee and is therefore within what is known as an airport influence area. For that reason, the lands comprising the Development may be subject to some of the annoyances or inconveniences associated with proximity to airport operations (for example: noise, vibration, or odors). Individual sensitivities to those annoyances can vary from person to person. You may wish to consider what airport annoyances, if any, are associated with the property before you complete your purchase and determine whether they are acceptable to you. For purposes of this Section, an "airport influence area," also known as "airport referral area," is the area in which current or future airport-related noise, overflight, safety, or airspace protection factors may significantly affect land uses or necessitate restrictions on those uses as determined by an airport land use commission.

**II. TAXES**

1. Real Estate Taxes. Real estate taxes for property in the Development are determined by multiplying the annual local tax rate by the assessed value of the property as determined by the County Tax Assessor. The California Constitution sets the tax rate at 1% of the property's value. Sometimes the voters in a geographical area will vote to successfully override the 1% tax rate with things such as a school bond measure, or a fire department parcel charge. These types of overriding taxes, or fees, are not a part of the 1% restrictions; they are in addition to the 1% tax rate. For all information regarding tax rates and assessments, prospective Buyers should contact the Nevada County Tax Assessor's Office 950 Maidu Avenue, Nevada City, CA 95959, Phone Number: (530) 265-1232.

2. Supplemental Tax Bill; Supplemental Taxes. Buyer is aware that the Property will be reassessed for tax purposes upon change of ownership. A one-time supplemental tax bill will be issued which may reflect an increase or decrease in taxes based on the property value. If there is an impound for taxes with a lender, the supplemental taxes may not have been provided for and the amounts of the periodic impound payment may change. Buyer is responsible for the payment of any amounts shown on the supplemental tax bill.

**III. MISCELLANEOUS**

1. Construction Activity. Buyers are advised that the Seller intends to develop the residences in the Development in phases and necessarily, homes will not be constructed, completed or occupied at the same time. Therefore, Buyers may experience construction-related traffic, inconveniences and disruptions, such as, but not limited to: detours, congestion, noise, dust, and dirt during the course of Seller's and other Buyers' construction activities. The Seller assumes no responsibility for any discomfort or inconvenience associated with the construction activity.

2. View. Buyer, by acceptance of a deed to the Property, acknowledges that any construction or improvement by Seller, or any other Buyer, or any Buyer of any other property, may change, impair, obstruct or otherwise affect any view that Buyer may have enjoyed at the time of the purchase of the Property. The Agreement does not contain any provisions



**EXHIBIT "C"**  
**ASSOCIATION DOCUMENTS**

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Buyer(s) \_\_\_\_\_ / \_\_\_\_\_

Seller \_\_\_\_\_

**EXHIBIT "D"**

**DISCLOSURE REGARDING REAL ESTATE  
AGENCY RELATIONSHIP  
(As required by the Civil Code)**

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

**SELLER'S AGENT**

A Seller's agent under a listing agreement with 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 dealing with the Seller.

**To the Buyer and the 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 the 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 the Buyer.
- (b) Other duties to the Seller and the Buyer as stated above in their respective paragraphs.

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  
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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. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction. **This disclosure form includes the provisions of Sections 2079.13 to 2079.24, inclusive of the Civil Code, as attached hereto. Read it carefully.**

**I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE AND THE PORTIONS OF THE CIVIL CODE ATTACHED HERETO.**

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

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

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

Seller's Brokerage Firm: Tahoe Mountain Realty (DRE License No. 01995145)

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

Seller's Broker/Agent: Jeff Brown (DRE License No. 01322672)

Buyer's Brokerage Firm: \_\_\_\_\_

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



**CONFIRMATION OF REAL ESTATE AGENCY RELATIONSHIP**

**I/WE CONFIRM THE FOLLOWING AGENCY RELATIONSHIP(S) AND ACKNOWLEDGE RECEIPT OF A COPY OF THIS CONFIRMATION.**

**Seller's Brokerage Firm: Tahoe Mountain Realty**  
is the **Broker** of  the seller exclusively; or  both the buyer and seller.

**License Number: 01995145**

**Seller's Agent: Jeff Brown**  
is the **Agent** of  the seller exclusively; or  both the buyer and seller.

**License Number: 01322672**

**Buyer's Brokerage Firm:** \_\_\_\_\_  
is the **Broker** of  the buyer exclusively; or  both the buyer and seller.

**License Number:** \_\_\_\_\_

**Buyer's Agent:** \_\_\_\_\_  
is the **Agent** of  the buyer exclusively; or  both the buyer and seller.

**License Number:** \_\_\_\_\_

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

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

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

Seller's Brokerage Firm: \_\_\_\_\_

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

Buyer's Brokerage Firm: \_\_\_\_\_

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

**Civil Code Sections**

**2079.13 to 2079.24**

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

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

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

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

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

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

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

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

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

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

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

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

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

(l) “Single-family residential property” or “single-family residential real property” means any of the following:

(1) Real property improved with one to four dwelling units, including a leasehold exceeding one year’s duration.

(2) A unit in a residential stock cooperative, condominium, or planned unit development.

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Buyer(s) \_\_\_\_\_ / \_\_\_\_\_

Seller \_\_\_\_\_

(3) A mobile home or manufactured home when offered for sale or sold through a real estate broker pursuant to Section 10131.6 of the Business and Professions Code.

(m) "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.

(n) "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 they are the owner from an agent on behalf of another. "Seller" includes both a vendor and a lessor of real property.

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

(Amended by Stats. 2019, Ch. 310, Sec. 9. (AB 892) Effective January 1, 2020.)

**2079.14.** (a) A copy of the disclosure form specified in Section 2079.16 shall be provided in a real property transaction as follows:

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

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

(b) The agent providing the disclosure form specified in Section 2079.16 shall obtain a signed acknowledgment of receipt from the buyer or seller except as provided in Section 2079.15.

(Amended by Stats. 2019, Ch. 310, Sec. 10. (AB 892) Effective January 1, 2020.)

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

(Amended by Stats. 2018, Ch. 907, Sec. 40. (AB 1289) Effective January 1, 2019.)

**2079.16.** The disclosure form required by Section 2079.14 shall have Sections 2079.13 to 2079.24, inclusive, excluding this section, printed on the back, and on the front of the disclosure form the following shall appear:

DISCLOSURE REGARDING

REAL ESTATE AGENCY RELATIONSHIP

(As required by the Civil Code)

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

SELLER'S AGENT

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

To the Buyer and the 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.

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Buyer(s) \_\_\_\_\_ / \_\_\_\_\_

Seller \_\_\_\_\_

(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 that does not involve the affirmative duties set forth above.

#### BUYER'S AGENT

A Buyer's agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations:

To the Buyer:

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

To the Buyer and the 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 that does not involve the affirmative duties set forth above.

#### AGENT REPRESENTING BOTH SELLER AND BUYER

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

In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:

(a) A fiduciary duty of utmost care, integrity, honesty, and loyalty in the dealings with either the Seller or the Buyer.

(b) Other duties to the Seller and the Buyer as stated above in their respective sections.

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

#### SELLER AND BUYER RESPONSIBILITIES

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

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

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

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

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Buyer(s) \_\_\_\_\_ / \_\_\_\_\_

Seller \_\_\_\_\_

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

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

Agent(date) Buyer/Seller(date)

(Signature)

Salesperson or Broker Associate, if any(date) Buyer/Seller(date)

(Signature) (Signature)

(Amended by Stats. 2018, Ch. 907, Sec. 41. (AB 1289) Effective January 1, 2019.)

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

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

(Name of Seller's Agent, Brokerage firm and license number) \_\_\_\_\_

is the broker of (check one):

the seller; or

both the buyer and seller. (dual agent)

(Name of Seller's Agent and license number) \_\_\_\_\_

is (check one):

is the Seller's Agent. (salesperson or broker associate)

is both the Buyer's and Seller's Agent. (dual agent)

\_\_\_\_\_ (Name of Buyer's Agent, Brokerage firm and license number) \_\_\_\_\_

is the broker of (check one):

the buyer; or

both the buyer and seller. (dual agent)

(Name of Buyer's Agent and license number) \_\_\_\_\_

is (check one):

the Buyer's Agent. (salesperson or broker associate)

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Buyer(s) \_\_\_\_\_

Seller \_\_\_\_\_

[ ] both the Buyer's and Seller's Agent. (dual agent)

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

(Amended by Stats. 2018, Ch. 907, Sec. 42. (AB 1289) Effective January 1, 2019.)

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

(Added by Stats. 1995, Ch. 428, Sec. 8. Effective January 1, 1996.)

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

(Added by Stats. 1995, Ch. 428, Sec. 9. Effective January 1, 1996.)

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

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

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

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

(Amended by Stats. 2018, Ch. 907, Sec. 44. (AB 1289) Effective January 1, 2019.)

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

(Amended by Stats. 2018, Ch. 907, Sec. 45. (AB 1289) Effective January 1, 2019.)

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

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

(Amended by Stats. 2014, Ch. 893, Sec. 2. (AB 2039) Effective January 1, 2015.)

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

**EXHIBIT "E"**

**PRELIMINARY TITLE REPORT**

Buyer(s) \_\_\_\_\_ / \_\_\_\_\_

Seller \_\_\_\_\_





**EXHIBIT "G"**

**THE VILLAGE AT GRAY'S CROSSING TOWNHOMES**

**NOTICE OF SENATE BILL 800 – BUILDER'S RIGHT TO REPAIR LAW**

This Exhibit is attached to and forms a part of the Purchase and Sale Agreement, Earnest Money Receipt and Escrow Instructions executed between Buyer and Seller for the purchase by Buyer from Seller of the Residence that is defined in said Agreement as the "**Property**." (Lot No. \_\_\_\_\_).

1. Residential Construction Legislation. California Civil Code Section 895 et seq., as hereafter amended (the "**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 (the "**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 of the home must meet with 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 notice requirements and other actions that are required from both a buyer and the builder and the time frames for completing those actions.

A copy of the Statute is provided to Buyer as **Attachment "A"** to this Exhibit. BUYER SHOULD READ THE STATUTE CAREFULLY AND SEEK LEGAL ADVICE IF YOU HAVE ANY QUESTIONS REGARDING ITS IMPACT ON THE PROPERTY THAT IS THE SUBJECT OF THIS AGREEMENT. The Statute begins at Civil Code section 895 in Attachment "**A**".

2. Limited Warranty. In connection with your purchase of the Property, Seller will provide Buyer with a Limited Warranty, which warrants the fit and finish of certain components of your home for one year from the close of escrow, subject to certain exclusions such as the failure to properly maintain the components and damage caused by third parties, among other exclusions. BUYER SHOULD READ THE LIMITED WARRANTY CAREFULLY AND SEEK LEGAL ADVICE IF BUYER HAS ANY QUESTIONS REGARDING ITS IMPACT ON THE PROPERTY BUYER IS PURCHASING. Claims for repairs under the Limited Warranty are not subject to the non-adversarial procedures in the Statute. Such claims should be made to the customer service representative on the claim form contained in the Limited Warranty.

**DISCLAIMER OF IMPLIED WARRANTIES. EXCEPT FOR THE LIMITED WARRANTY, SELLER DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED.**

3. 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 (the "**Claimant**") claims that the construction of the home on the Property violates any or all of the Standards, Buyer shall provide notice to Seller's Agent at the address listed below. By initialing below, Buyer acknowledges and agrees that Seller has provided Buyer with the name and address for notice of any claimed violations of the Standards.

**Seller's Agent:** Village at Gray's Crossing LLC  
a California limited liability company  
140 Heron Way,  
Merced, CA 95341

4. Statutory Non-Adversarial Procedures. By initialing below, Buyer acknowledges that Seller has elected to use certain procedures referred to as the "*non-adversarial procedures*" for the resolution of construction defect claims regarding the Property, as set forth in the Statute at Sections 910 through 938. Seller has recorded or will record a notice of these procedures on the Property prior to the Close of Escrow. Buyer has had the opportunity to read the non-adversarial procedures in the Statute and acknowledges that the procedures set forth therein impact Buyer's legal rights with respect to the Property.

5. 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 Addendum 1 (collectively, the "*Documents*"). Buyer shall maintain a full and complete copy of the Documents. Buyer agrees to provide any subsequent buyer with a complete copy of the Documents as required by the Statute, including, but not limited to, a copy of any maintenance or preventative maintenance information to be provided to the original homeowner, all manufactured products' maintenance, preventative maintenance and limited warranty information and any Limited warranty or other contractual warranty provided to the original homeowner. Buyer should instruct subsequent buyers to provide to their subsequent buyers a complete copy of the Documents.

I/We agree to the foregoing.

\_\_\_\_\_  
Buyer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Buyer

\_\_\_\_\_  
Date

**SELLER:**

**VILLAGE AT GRAY'S CROSSING LLC,**  
a California limited liability company

**By:** \_\_\_\_\_  
Brad Ardis, Authorized Member

**ATTACHMENT "A"**

**ATTACHMENT "A" CONSISTS OF THE RIGHT TO REPAIR LAW**

**(SENATE BILL 800)**

**BEGINNING AT CIVIL CODE SECTION 895**

**[Attached Hereto]**

CALIFORNIA CIVIL CODE

SECTIONS 895 - 945.5

**§ 895. Definitions**

- (a) "Structure" means any residential dwelling, other building, or improvement located upon a lot or within a common area.
- (b) "Designed moisture barrier" means an installed moisture barrier specified in the plans and specifications, contract documents, or manufacturer's recommendations.
- (c) "Actual moisture barrier" means any component or material, actually installed, that serves to any degree as a barrier against moisture, whether or not intended as a barrier against moisture.
- (d) "Unintended water" means water that passes beyond, around, or through a component or the material that is designed to prevent that passage.
- (e) "Close of escrow" means the date of the close of escrow between the builder and the original homeowner. With respect to claims by an association, as defined in Section 4080, "close of escrow" means the date of substantial completion, as defined in Section 337.15 of the Code of Civil Procedure, or the date the builder relinquishes control over the association's ability to decide whether to initiate a claim under this title, whichever is later.
- (f) "Claimant" or "homeowner" includes the individual owners of single-family homes, individual unit owners of attached dwellings and, in the case of a common interest development, any association as defined in Section 4080.

**§ 896. Standards for residential construction**

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

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

(b) With respect to structural issues:

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

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

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

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

(c) With respect to soil issues:

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

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

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

(d) With respect to fire protection issues:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(6) Attached structures shall be constructed to comply with 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. Intent of standards**

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. Warranty covering fit and finish items**

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. Enhanced protection agreement**

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. Effect of enhanced protection agreement**

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. Written copy of enhanced protection agreement**

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. Enforcement of construction standards in lieu of particular enhanced protection agreement provision**

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. Responsive pleading in action to enforce construction standards of this chapter in lieu of enhanced protection agreement**

If a homeowner seeks to enforce Chapter 2 (commencing with Section 896), in lieu of the enhanced protection agreement in a subsequent litigation or other legal action, the builder shall have the right to have the matter bifurcated, and to have an immediately binding determination of his or her responsive pleading within 60 days after the filing of that pleading, but in no event after the commencement of discovery, as to the application of either Chapter 2 (commencing with Section 896) or the enhanced protection agreement as to the deficiencies claimed by the homeowner. If the builder fails to seek that determination in the timeframe specified, the builder waives the right to do so and the standards set forth in this title shall



apply. As to any non-original homeowner, that homeowner shall be deemed in privity for purposes of an enhanced protection agreement only to the extent that the builder has recorded the enhanced protection agreement on title or provided actual notice to the non-original homeowner of the enhanced protection agreement. If the enhanced protection agreement is not recorded on title or no actual notice has been provided, the standards set forth in this title apply to any non-original homeowners' claims.

**§ 906. Effect of election of enhanced protection agreement on provisions of pre-litigation procedures**

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. Obligation of homeowner to follow reasonable maintenance obligations**

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. Procedures required prior to filing action for violation of construction standards**

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 pre-litigation 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. "Builder" defined**

(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. Builder's duties**

(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. Acknowledgement of receipt of notice**

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. Non-adversarial procedure established**

(a) This chapter establishes a non-adversarial 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 non-adversarial contractual provisions other than the non-adversarial procedures and remedies set forth in this chapter, but may not, in addition to its own non-adversarial contractual provisions, require adherence to the non-adversarial procedures and remedies set forth in this chapter, regardless of whether the builder's own alternative non-adversarial 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 non-adversarial procedure of this section or attempt to enforce alternative non-adversarial contractual provisions. If the builder elects to use alternative non-adversarial contractual provisions in lieu of this chapter, the election is binding, regardless of whether the builder's alternative non-adversarial 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 non-adversarial procedure or provision has been completed.

**§ 915. Actions resulting in non-application of chapter**

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 non-adversarial 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. Inspection of claimed unmet standards by builder**

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

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testing. The builder shall, upon request, allow the inspections to be observed and electronically recorded, video recorded, or photographed by the claimant or his or her legal representative.

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

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

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

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

**§ 917. Offer to repair**

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. Authorization to proceed with repair**

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. Offer to mediate dispute**

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. Actions resulting in filing of an action by homeowner; Applicable standards**

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. Procedure when resolution involves repair by builder**

(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. Observation and electronic recording, video recording, or photographing of repair allowed**

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

**§ 923. Availability to homeowner of correspondence, photographs and other material pertaining to repairs**

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. Offer to repair some, but not all, of claimed unmet standards**

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. Failure to timely complete repairs**

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. Release or waiver in exchange for repair work prohibited**

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. Statute of limitations**

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 non-adversarial 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 non-adversarial procedure, or 100 days after the builder's alternative non-adversarial procedure is deemed unenforceable, whichever is later.

**§ 928. Mediation procedure**

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. Cash offer in lieu of repair**

(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. Strict construction of requirements; Failure of claimant to conform**

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

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

**§ 931. Claim combined with other causes of action**

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. Subsequent discovered claims of unmet standards**

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. Evidence of repair work**

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 parties' conduct**

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. Similar requirements of Civil Code Section 6000**

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

**§ 936. Applicability of title to other entities involved in construction process**

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. Claims and damages not covered by this title**

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. Date of sale for applicability of title**

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. Time limit for bringing action**

(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. Showing required for claim**

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. Other causes of action; Claims involving detached single-family home**

(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. Damages**

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. Original purchasers and successors-in-interest**

The provisions, standards, rights, and obligations set forth in this title are binding upon all original purchasers and their successors-in-interest. For purposes of this title, associations and others having the rights set forth in Sections 4810 and 4815 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. Affirmative defenses**

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:

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- (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.

**EXHIBIT "H"**

**MOLD AND MILDEW DISCLOSURE,  
AWARENESS & PREVENTION EXHIBIT**

This Exhibit to Purchase and Sale Agreement, Earnest Money Receipt and Escrow Instructions is attached to and forms a part of the Agreement executed between Buyer and Seller.

**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 sharing 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 Residence, 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 Residence can have many causes. Spills, leaks, overflows, condensation, and high humidity are common sources of Residence moisture. Good housekeeping and Residence 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 Residence?** 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 Owners Can 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:

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.

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.

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.

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 Residence. Promptly replace any materials that cannot be thoroughly dried, such as drywall or insulation.

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.

Should mold develop, thoroughly clean the affected area. 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.

**Flooring.** Proper selections of flooring material in wet areas (such as bathrooms) are highly recommended. Preferred flooring material for these areas are either tile or linoleum. It is much easier to extract or clean up, excessive water from tile or linoleum. It reduces the potential of mold growth in this area. Carpet is cellulose based material that will lead to mold growth if it gets wet or stays wet. If you choose to use carpet in these areas, the requirement would be to thoroughly clean up any excessive water after each shower or bath. It would also be recommended as a best practice, that you get these carpeted areas cleaned, sanitized, and deodorized on a frequent, consistent, and regularly scheduled basis. (Dry or chemical cleaned preferred).

**Humidity.** Relative humidity inside the Residence should remain below 60%. Relative humidity above 60% will encourage excessive mold growth. You, as the Residence owner, must aid in maintaining an acceptable level of humidity in your by following our Best Practice and Requirements, which we have listed. The HVAC system should be operated to maintain optimum relative humidity levels and humidifiers should not be used. If Relative humidity levels rise above 60%, dehumidifiers or engineered controls, such as increasing ventilation with outside air or lowering the temperature in the house, should be used. The HVAC system and ductwork should also be kept clean by replacing filter as often as needed. Recommendation on filter replacement is every 30 days. Additionally, if your Residence exceeds a 60% humidity level, you should consult your builder or mechanical engineer.

**Leaks.** All leaks need to be addressed immediately. ALL LEAKS during the Warranty Period must be reported to Seller and/or fixed immediately. Mold needs a food source to start and a leak creates the potential for mold growth. Note that the actual food source is what your house is primarily comprised and/or constructed of, which is wood and drywall. Additionally, note that mold growth can begin if any cellulose based material like drywall, carpeting, or wood remains moist for more than 48 hours.

**Maintenance.** Owners must regularly check the condition of the Residence (visually inspect interior as well as exterior), and maintain it as necessary. The caulking and grout in showers and bathtubs must be checked and restored as necessary to prevent water intrusion to the drywall. Around the shower and tub is a common place for mold growth, so it must be maintained. Another area common to mold growth is at windowsills, where either a wood sill or drywall joins against the window, this area again must be caulked, cleaned, and maintained regularly. Lawns, shrubs, and ground cover must be maintained to prevent overgrowth that may clog weep screeds or allow water to pond near the exterior of the Residence.

**Ventilation.** (Controlling Your Environment) You must always use fans in the kitchen when cooking and in the laundry room when washing clothes. Always use fans in the master bath and secondary baths when showering or bathing. Air exchanges extract excess moisture in the air and reduces humidity. YOU MUST RUN THE FANS.

**Windows and Doors.** Your windows and doors must be opened and closed as appropriate for ventilation and to maintain correct moisture levels in your Residence. For instance, opening a bathroom window after a shower will facilitate elimination of moisture on most days. Opening windows and doors on rainy days, however, may increase moisture levels in the Residence. You must utilize these openings as appropriate for given inside and outside conditions.

Mold information may be periodically updated by the California Department of Health Services and may be available from the following website:

[http://www.dhs.ca.gov/deodc/ehib/ehib2/pdf/mold\\_2001\\_07\\_17final.pdf](http://www.dhs.ca.gov/deodc/ehib/ehib2/pdf/mold_2001_07_17final.pdf)

For more information you may also want to try these web sites:

- US Environmental Protection Agency <http://www.epa.gov>
- Centers for Disease Control and Protection Agency - <http://www.cdc.gov/nceh>
- Illinois Department of Public Health - <http://www.idph.state.il.us>
- Oregon Department of Human Services - <http://www.ohd.hr.state.or.us>
- Washington State Department of Health - <http://doh.wa.gov>

There may also be other sources of information on mold.

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Buyer(s) \_\_\_\_\_ / \_\_\_\_\_

Seller \_\_\_\_\_

Whether or not you, as a Buyer, experience mold growth depends largely on how you manage and maintain your Residence. Buyer will need to take actions to prevent conditions, which cause the mold or mildew. It is the responsibility of each Buyer to ensure that it has taken the necessary precautions to prevent mold from becoming a problem in Buyer's Residence. This is part of the responsibility of Residence ownership. Buyer agrees to assume responsibility for following the recommendations set forth above. Buyer further acknowledges that if there is any water damage or water intrusion to Buyer's Residence, Buyer will take immediate action to prevent conditions which cause mold or mildew to develop.

Buyer will immediately notify Seller of such water intrusion and allow Seller the opportunity to inspect the problem if the water damage or water intrusion is believed to have been caused by Seller, pursuant to the provisions of Civil Code §§910 through 938. Failure to notify Seller of water intrusion or water damage is an affirmative defense of Seller to any claims for construction defect causing water damage or water intrusion by Buyer.

Unless caused by the sole negligence or willful misconduct of Seller, Buyer acknowledges and agrees that Seller will not be liable for the presence and/or existence of molds, mildew and/or microscopic spores, or for any actual, special, incidental or consequential damages based on any legal theory whatsoever relating to the molds, mildew and/or microscopic spores.

In consideration of the foregoing agreement limiting the Seller's liability for the presence and/or existence of mold, mildew and/or microscopic spores to conditions that originate or are caused by the sole negligence or willful misconduct of Seller and in recognition of the fact that mold and mildew problems in homes can originate from other sources and conditions over which the Seller has no control or responsibility, Buyer, on behalf of itself and its family members, tenants, invitees and licensees, hereby releases Seller and Seller's officers, directors, partners, members successors and assigns from and against any and all claims, actions, damages, causes of actions, liabilities and expenses (including without limitation, attorneys fees and costs and costs of enforcing this indemnity) for property damage, injury or death resulting from the exposure to microscopic spores, mold and/or mildew and from any loss of resale value due to the presence and/or existence of mold, mildew and/or microscopic spores arising out of or resulting from conditions or causes that are not attributable to the sole negligence or willful misconduct of the Seller.

**BUYER ACKNOWLEDGES THAT THIS EXHIBIT CONTAINS A RELEASE PROVISION, WHICH HAS LEGAL CONSEQUENCES. BUYER, BY ITS INITIALS SET FORTH BELOW, ACKNOWLEDGES THAT IT HAS BEEN ADVISED BY SELLER TO OBTAIN THE ADVICE OF LEGAL COUNSEL PRIOR TO EXECUTING THIS EXHIBIT.**

Buyer [ ] [ ]

Buyer has read, reviewed, understands the information set forth in this Exhibit and agrees to be bound by the provisions and releases set forth in this Exhibit.

I/We agree to the foregoing.

\_\_\_\_\_  
Buyer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Buyer

\_\_\_\_\_  
Date

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Buyer(s) \_\_\_\_\_ / \_\_\_\_\_

Seller \_\_\_\_\_

**EXHIBIT "I"**

**THE VILLAGE AT GRAY'S CROSSING TOWNHOMES**

**LIMITED WARRANTY**

This Exhibit is attached to and forms a part of the Purchase and Sale Agreement, Earnest Money Receipt and Escrow Instructions executed between Buyer and Seller for the purchase by Buyer from Seller of the Residence that is defined in said Purchase Agreement as the "**Property**". (Lot No. \_\_\_\_\_).

Subject to the exclusions and limitations listed below, Seller provides the following limited warranty on the home you are purchasing (this "**Warranty**").

I. Defined Terms.

As used in this Warranty, the following terms shall have the meanings described below.

1.1 Close of Escrow. "**Close of Escrow**" means the date of recordation of the grant deed conveying the Residence by Seller to Owner.

1.2 Components. "**Components**" means cabinets, mirrors, flooring, interior and exterior walls, wall coverings, countertops, paint finishes and trim.

1.3 Deficiency. "**Deficiency**" means the Fit and Finish of a Component does not meet standards of quality as measured by acceptable trade practices or applicable industry standards, subject to the terms, conditions and exclusions of this Warranty.

1.4 Fit and Finish. "**Fit and Finish**" means the non-structural, cosmetic appearance or alignment of the Components, subject to the terms, conditions and exclusions of this Warranty.

1.5 Home Care Guide. "**Home Care Guide**" means any maintenance manual provided by Seller to Owner which sets forth the obligations of the Owner for maintenance of the Residence and a schedule for such required maintenance.

1.6 Owner. "**Owner**" means the Buyer or owner of the Residence.

1.7 Owner Orientation. "**Owner Orientation**" means the pre-closing orientation tour of your Residence, with a Seller representative, prior to Close of Escrow for the purpose of familiarizing you with the features and appliances in your home and during which the Fit and Finish of Components will be inspected and if Deficiencies are discovered, they must be identified and reported to the Seller representative. If such Deficiencies are not reported at the time of the Owner Orientation, they may be excluded from coverage under this Warranty, as items of damage caused by Buyer or a third party.

1.8 Purchase Agreement. "**Purchase Agreement**" means the Purchase Agreement and Earnest Money Deposit and Escrow Instructions by and between Seller and Owner for the purchase of the Residence.

1.9 Residence. "**Residence**" means the house to be occupied or leased by an Owner for residential purposes.

1.10 Seller. "**Seller**" means Village at Gray's Crossing LLC, a California limited liability company.

1.11. Unforeseen Acts of Nature. "**Unforeseen Acts 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.

1.12 Warranty Period. "**Warranty Period**" means ONE YEAR from the Close of Escrow.

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Buyer(s) \_\_\_\_\_ / \_\_\_\_\_

Seller \_\_\_\_\_

2. Warranty. Seller warrants the Fit and Finish of the Components to be free from Deficiencies during the Warranty Period, subject to the exclusions in Section 4 below.

3. Scope of Warranty.

3.1 Seller's Performance. During the Warranty Period, Seller will, within a reasonable amount of time, if repair or replacement is appropriate under this Warranty, repair or replace the affected Components at no charge to Owner. The decision whether to repair or replace the Components shall be within the sole discretion of Seller.

3.2 Repair Materials/Subcontractors. All repairs or replacements will be made with materials or components identical to, or of an equal or better grade or quality than the materials or components used in the original construction of the Residence. Seller has the right to choose the specific materials and components that the subcontractors use for repair or replacement work in its sole discretion. It is likely that there will be color and texture variations with the new materials.

3.3 Assignment of Other Insurance and Warranties. In the event Seller repairs, replaces or pays the cost of repairing or replacing any Deficiency covered by this Warranty for which Owner is covered by any other insurance or warranty, Owner hereby assigns to Seller all rights, proceeds or payments under such other insurance or warranty to the extent of the actual cost of repair or replacement incurred by Seller, and hereby authorizes Seller to file a claim against any insurance or warranty on Owner's behalf. Owner shall cooperate with Seller, at no out-of-pocket cost to Owner, with respect to such claim. To the extent permitted by Owner's insurance, Owner agrees to look only to Owner's insurance coverage for covered claims and to waive any right of subrogation to the extent of such insurance.

3.4 **DISCLAIMER OF IMPLIED WARRANTIES.** EXCEPT FOR THIS 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.

3.5 **LIMITATION OF AVAILABLE REMEDIES.** OWNER AGREES THAT THE SOLE AND EXCLUSIVE REMEDIES FOR THE BREACH OF THIS WARRANTY SHALL BE TO REPAIR OR REPLACE THE COMPONENT. OWNER OTHERWISE AGREES TO ASSUME ALL RISKS ARISING FROM A BREACH OF WARRANTY, INCLUDING BUT NOT LIMITED TO ALL ECONOMIC, CONSEQUENTIAL AND EMOTIONAL DISTRESS DAMAGES. EXCEPT TO REPAIR OR REPLACE THE COMPONENT, SELLER SHALL NOT OTHERWISE BE LIABLE FOR ANY DAMAGE FOR BREACH OF WARRANTY. BY INITIALING BELOW, OWNER REPRESENTS THAT OWNER UNDERSTANDS THAT REPAIR OR REPLACEMENT UNDER THIS WARRANTY ARE EXPRESSLY CONDITIONED UPON SELLER, OR ITS AUTHORIZED AGENT, BEING GRANTED A REASONABLE OPPORTUNITY TO REPAIR OR REPLACE SUCH COMPONENT.

**OWNER AGREES THAT SELLER, OR ITS AUTHORIZED AGENTS, AND NOT OWNER, SHALL DETERMINE THE MATERIAL AND METHODS TO BE USED IN EFFECTING SUCH REPAIR OR REPLACEMENT.**

4. Exclusions. The following are not covered by this Warranty:

4.1 Wear and Tear. Damage to the Components due to ordinary wear and tear.

4.2 Owner's Failure to Properly Maintain. Any Deficiency, loss or damage caused by lack of reasonable care and maintenance, failure to follow a manufacturer's or Seller's maintenance schedule, recommendations or commonly accepted Owner maintenance obligations. Seller may have provided a description and list of suggested Owner's care and maintenance items and procedures in the Home Care Guide and a schedule for such maintenance. From time to time, Seller may perform a maintenance task for the benefit of Owner at no charge; however, performing a task on one or more occasions does not imply or require that Seller will perform a similar task at a later date, nor shall such performance be deemed to extend the Warranty Period.

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Seller \_\_\_\_\_



4.3 Casualties or Unforeseen Acts of Nature. Any Deficiency, loss or damage caused by Unforeseen Acts of Nature, casualties normally covered by homeowner's insurance, or any other cause not under the control of Seller such as fire, smoke, explosion, water escape, fluctuations in water pressure, flood, insects, and falling trees. Damage of this sort may be covered by your homeowner's insurance. You should contact your insurance carrier within 24 hours of the occurrence of any such damage.

4.4 Abuse of Residence. Damage caused either by the misuse, abuse, neglect or the use of the Residence in a manner which was not intended.

4.5 Materials Furnished by Owner. Any Deficiency caused by materials furnished or work done by or at the request of Owner, including any work done by anyone other than Seller or the employees, agents or subcontractors expressly selected by Seller.

4.6 Variations in Natural Materials. Variations in natural materials, such as stone, marble, wood grain and color of stained wood used in cabinets, paneling, siding, doors and wood trim. These variations are inherent characteristics of natural materials and are not a Deficiency.

4.7 Failure to Give Timely Notice. Any Deficiency, loss or damage caused or made worse by Owner's failure to timely notify Seller of any Deficiency.

4.8 Failure to Mitigate Damages. Any Deficiency, loss or damage caused or made worse by Owner's failure to minimize or prevent damages in a timely manner.

4.9 Refusal to Allow Repair. Any Deficiency, loss or damage caused by the Owner's failure to allow reasonable and timely access for inspections and repairs.

4.10 Owner or Third-Party Negligence. Any Deficiency, loss or damage caused or made worse by the negligence of Owner (or Owner's agent, employee, subcontractor, independent contractor, or consultant) or a third party.

4.11 Successful Repair. Any Deficiency, to the extent that such Deficiency has been successfully repaired or corrected.

4.12 Released Violation. Any Deficiency, for which liability has been released by Owner pursuant to a release agreement with Seller, a manufacturer or any other third party.

4.13 Warranty Period. Any Deficiency that occurs after the Warranty Period.

4.14 Statutory Claims. Any claims for Deficiencies, loss or damage governed by California Civil Code Sections 895 through 897 and Sections 910 through 938, as may be hereafter amended.

5. Procedures for Filing a Warranty Claim.

5.1 How to Request Warranty Service. To assure quality, and to allow Seller to maintain a complete file on your home, all requests for warranty service under this Warranty must be submitted in writing to Seller.

If a form is not available, you may send your request by completing your claim through the online portal at the following website: \_\_\_\_\_. Please complete the form fully and describe the location and nature of your problem in the web-link in as much detail as possible. Phone requests will be taken at: \_\_\_\_\_ for emergency service only.

ALL REQUESTS FOR WARRANTY SERVICE MUST BE SUBMITTED WITHIN THIRTY (30) DAYS AFTER THE DISCOVERY OF A DEFICIENCY, BUT IN NO EVENT LATER THAN THE EXPIRATION OF THE WARRANTY PERIOD.

5.2 Warranty Service Schedule. Upon receipt of your request, Seller will schedule an appointment to have one of its Customer Service Representatives inspect the problem and determine whether the item is covered by this Warranty.

If it is determined that the problem is covered by this Warranty, Seller will begin performing the obligations under this warranty within a reasonable time of the Seller's receipt of such a request and will diligently pursue these obligations. Repair work will be done during normal business hours. Buyer agrees to provide the Seller or Seller's representative, access to the residences and the presence of a responsible adult with the authority to approve repair and sign a receipt upon completion of the repair.

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Buyer(s) \_\_\_\_\_ / \_\_\_\_\_

Seller \_\_\_\_\_

5.3 Time for Corrective Work. Seller intends to fulfill its obligations for a particular warranty claim for Deficiencies within (30) days of its receipt of a written request so long as Seller is given reasonable cooperation by Owner. However, Owner recognizes that a thirty (30) day period for certain covered repairs or replacements may be insufficient and it may be necessary to extend that thirty (30) day period.

5.4 Claims Not Covered by Warranty. If Seller determines that a particular claim is not covered by this Warranty, Seller will provide Owner with a notification describing why the Owner's claim is not covered. Failure to send such a notice shall not be deemed evidence that a claim is a covered Deficiency. If a claim is governed by California Civil Code, Section 895, et seq., the non-adversarial procedures described in the Addendum to the Purchase Agreement (titled Functionality Standards and Non-Adversarial Procedure for Statutory Construction Claims) will apply to such claim, instead of the procedures set forth in this Section 5.

6. General Provisions.

6.1 Applicable Law. This Warranty is made in the State of California and is to be interpreted and construed in accordance with the cases and laws of California.

6.2 Interpretation. Whenever the context requires, the use herein of one gender includes both genders and the singular number includes the plural number.

6.3 Modification. No modification or change of this Warranty is valid unless it is in writing and signed by Owner and Seller.

6.4 Captions. Captions are inserted for convenience of reference only and do not define, describe or limit the scope or intent of this Warranty or any provisions hereof.

6.5 Time of the Essence. Time is of the essence on all matters of any nature arising under this Warranty.

6.6 Severability. Should any provision or portion of this Warranty be declared invalid or in conflict with any law of the jurisdiction where your Residence is situated, the validity of all other provisions and portions shall remain unaffected and in full force and effect.

7. Dispute Resolution. All disputes arising under this Warranty will be resolved in accordance with the applicable Dispute Resolution Provisions to the Purchase and Sale Agreement, Earnest Money Receipt and Escrow Instructions. The statutory non-adversarial procedures applicable to certain construction defect claims under California Civil Code Sections 910 through 938, as hereafter amended, shall not apply to any claims under this Limited Warranty.

**Note: The sales staff does not have responsibility for, nor are they qualified to make, judgments regarding service. All such commitments must be in writing and must come from our Warranty Service Department. Seller is very proud of its service and trusts that Buyer will find Seller's policy to be fair to all concerned. Proper service and a continuing program of owner maintenance will keep the Property in good condition both for your own comfort and to maximize its usefulness and durability.**

**BY SIGNING BELOW, BUYER ACKNOWLEDGES AND AGREES THAT BUYER HAS RECEIVED A COPY OF THE LIMITED WARRANTY BEFORE SIGNING THE PURCHASE AND SALES AGREEMENT, EARNEST MONEY RECEIPT AND ESCROW INSTRUCTIONS AND THAT BUYER HAS HAD THE OPPORTUNITY TO READ AND HAS READ AND UNDERSTOOD THE SCOPE OF, AND THE TERMS, CONDITIONS, EXCEPTIONS AND EXCLUSIONS CONTAINED IN THE LIMITED WARRANTY. THE LIMITED WARRANTY IS THE ONLY WARRANTY EXPRESS OR IMPLIED WHICH IS APPLICABLE TO THE PROPERTY BEING PURCHASED BY BUYER.**

**I/WE HAVE RECEIVED, READ AND UNDERSTAND THE LIMITED WARRANTY.**

\_\_\_\_\_  
**BUYER**

\_\_\_\_\_  
**DATE**

\_\_\_\_\_  
**BUYER**

\_\_\_\_\_  
**DATE**

Buyer(s) \_\_\_\_\_ / \_\_\_\_\_

Seller \_\_\_\_\_

**THE VILLAGE AT GRAY'S CROSSING TOWNHOMES**

**PURCHASE AND SALE AGREEMENT**

**EARNEST MONEY RECEIPT**

**AND ESCROW INSTRUCTIONS**

**OWNER'S STATEMENT**

THE UNDERSIGNED HEREBY STATE THAT THEY ARE THE ONLY PERSONS HAVING ANY RECORD TITLE INTEREST IN THE REAL PROPERTY INCLUDED WITHIN THE SUBDIVISION AND THEY HEREBY CONSENT TO THE PREPARATION AND RECORDATION OF THIS FINAL MAP AND OFFER FOR DEDICATION AND DO HEREBY DEDICATE TO THE TOWN OF TRUCKEE ITEMS #6 ON THE MAP FOR THE FOLLOWING PURPOSES:

- LOT "M", (HAKES WAY), LOT "N", LOT "O", LOT "P", LOT "Q", LOT "R", AND LOT "S", IN FEE FOR PUBLIC PURPOSES INCLUDING PUBLIC ROADWAY, PUBLIC DRAINAGE, PUBLIC ACCESS AND UTILITY PURPOSES INCLUDING WITHOUT LIMITATION INGRESS AND EGRESS, CONSTRUCTION, OPERATION AND MAINTENANCE OF INFRASTRUCTURE RELATED TO DRAINAGE, WATER, SEWER, NATURAL GAS, ELECTRIC, TELEPHONE AND COMMUNICATION SERVICE, AND OTHER PUBLIC UTILITIES AS DEEMED APPROPRIATE BY THE TOWN OF TRUCKEE, TOGETHER WITH ALL APPURTENANCES THERE TO.
- DRAINAGE EASEMENTS FOR THE PURPOSE OF INSTALLATION AND MAINTENANCE OF PIPES, CONDUITS, DRAINAGE DITCHES AND DETENTION AND RETENTION FACILITIES FOR THE PURPOSE OF CARRYING AND TREATING STORM WATER RUNOFF OVER, UNDER AND ACROSS THOSE AREAS DESIGNATED AS DRAINAGE EASEMENTS, TOGETHER WITH THE RIGHT OF INGRESS AND EGRESS FOR MAINTENANCE PURPOSES AND FOR TRIM AND REMOVE TREES, LIMBS AND BRUSH, SAID AREAS OR STRIPS OF LAND SHALL BE KEPT CLEAR AND FREE OF ALL OBSTRUCTIONS BY THE PROPERTY OWNER.
- SNOW STORAGE EASEMENTS FOR THE PURPOSE OF SNOW STORAGE.
- BICYCLE AND PEDESTRIAN EASEMENTS ACROSS A PORTION OF LOT D AND LOT L FOR THE PURPOSE OF PUBLIC ACCESS, CONSTRUCTION, OPERATION, AND MAINTENANCE OF MULTI-PURPOSE TRAILS AND ALL APPURTENANCES THERE TO.
- PUBLIC UTILITY EASEMENTS OVER, UNDER, ON, AND ACROSS LAND SHOWN AND DESIGNATED AS PUBLIC UTILITY EASEMENT (PUE) FOR PURPOSES OF CONSTRUCTION, OPERATION, AND MAINTENANCE INCLUDING THE TRIMMING AND REMOVAL OF TREES LIMBS, AND BRUSH OF PUBLIC AND PRIVATE UTILITY INFRASTRUCTURE, TOGETHER WITH ALL APPURTENANCES THERE TO, INCLUDING INFRASTRUCTURE RELATED TO DRAINAGE, IRRIGATION, LIGHTING, ELECTRIC, WATER, SEWER, NATURAL GAS, TELEPHONE, COMMUNICATIONS, AND OTHER PUBLIC UTILITIES AS DEEMED APPROPRIATE BY THE TOWN OF TRUCKEE.
- PUBLIC ACCESS EASEMENT FOR PUBLIC INGRESS/EGRESS ON, OVER AND ACROSS THAT CERTAIN STRIP OF LAND SHOWN AND DESIGNATED AS "PUBLIC ACCESS EASEMENT" ON PAGE 1.

GRAY'S CROSSING INVESTMENTS LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

BY John Abbate DATE 8/4/2021  
 JOHN ABBATE, MANAGER

BY James Abbate DATE 08/04/2021  
 JAMES ABBATE, MANAGER

**FINAL MAP ~ FM 2020-0000029/FM  
THE VILLAGE AT GRAY'S CROSSING**

BEING A PORTION OF LOTS D, E, F, G, J, K, L, M, N, O, P, Q, R AND S AS SHOWN ON THE VILLAGE AT GRAY'S FINAL MAP RECORDED IN BOOK 9 OF SUBDIVISIONS AT PAGE 182, OFFICIAL RECORDS NEVADA COUNTY,

SAID LAND BEING A PORTION OF SECTION 2, TOWNSHIP 17 NORTH, RANGE 16 EAST, M D M, WITHIN THE TOWN OF TRUCKEE, NEVADA COUNTY, CALIFORNIA

JUNE, 2021

**NOTARY ACKNOWLEDGMENT**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA, COUNTY OF MERCED

On Aug 4, 2021 before me, DANENE VILLA Notary Public,

personally appeared JOHN ABBATE who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within and to the identity upon behalf of which the personal signature appears on the instrument the person or persons named in the instrument, and that he or she is the person or persons named in the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Danene Villa Signature DANENE VILLA Printed Name  
 My Registration Number: 2245750 and Expires on JUNE 11, 2022 county  
 My Principal Place of Business is: MERCED

**NOTARY ACKNOWLEDGMENT**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA, COUNTY OF MERCED

On Aug 4, 2021 before me, DANENE VILLA Notary Public,

personally appeared JAMES ABBATE who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he or she executed the same in the presence of the notary authorized to perform the notary act, and that he or she is the person or persons named in the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Danene Villa Signature DANENE VILLA Printed Name  
 My Registration Number: 2245750 and Expires on JUNE 11, 2022 county  
 My Principal Place of Business is: MERCED

**TOWN CLERK'S STATEMENT**

I HEREBY CERTIFY TO THE ABANDONMENT OF A 40' ACCESS EASEMENT, A PORTION OF BICYCLE AND PEDESTRIAN EASEMENT, OPEN SPACE AND PUBLIC UTILITY EASEMENTS FOR ANY AND ALL PUBLIC PURPOSES, AS STATED IN NOTE 3 ON SHEET 2.

7 September 21 DATE  
Judy Price JUDY PRICE, TOWN CLERK

**TOWN ENGINEER'S STATEMENT**

THIS FINAL MAP HAS BEEN EXAMINED BY ME AND THE SUBDIVISION AS SHOWN IS ACCORDING TO THE RECORDS OF THE COUNTY OF NEVADA. I HAVE REVIEWED THE RECORDS OF THE COUNTY OF NEVADA AND I HAVE APPROVED ALL ALTERATIONS THEREOF AND THAT ALL PROVISIONS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCES, APPLICABLE AT THE TIME OF APPROVAL, HAVE BEEN COMPLIED WITH.

9-3-2021 DATE  
Daniel P. Wilkins TOWN ENGINEER  
 DANIEL P. WILKINS, TOWN ENGINEER  
 EXPIRES 12/31/2022

**TOWN COUNCIL'S STATEMENT**

ON BEHALF OF THE TOWN COUNCIL AND UNDER THE AUTHORITY OF THE TOWN OF TRUCKEE NEVADA, I HEREBY STATE THAT I HAVE EXAMINED THIS FINAL MAP AND I AM SATISFIED THAT THIS MAP IS ACCORDING TO THE RECORDS OF THE COUNTY OF NEVADA. I HAVE REVIEWED THE RECORDS OF THE COUNTY OF NEVADA AND I HAVE APPROVED ALL ALTERATIONS THEREOF AND THAT ALL PROVISIONS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCES, APPLICABLE AT THE TIME OF APPROVAL, HAVE BEEN COMPLIED WITH.

9-3-2021 DATE  
Daniel P. Wilkins TOWN ENGINEER  
 DANIEL P. WILKINS, TOWN ENGINEER  
 EXPIRES 12/31/2022

**SURVEYOR'S STATEMENT**

THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTIONS AND IS BASED UPON A FIELD SURVEY OF THE LANDS SHOWN THEREON. I HAVE REVIEWED THE RECORDS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCES AT THE REQUEST OF JAMES AND SABRA ABBATE, TRUS (EE, ETAL) HEREBY STATE THAT ALL THE MONUMENTS WILL BE OF THE CHARACTER SHOWN AND OCCUPY THE POSITIONS INDICATED ON, OR BEFORE OCTOBER 15, 2021 AND THAT SAID MONUMENTS ARE SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED.

9-3-2021 DATE  
Matt Wood SURVEYOR  
 MARTIN WOOD, P.L.S. 6521

**TOWN SURVEYOR'S STATEMENT**

I HEREBY STATE THAT I HAVE EXAMINED THIS FINAL MAP AND I AM SATISFIED THAT THIS MAP IS TECHNICALLY CORRECT.

9-15-2021 DATE  
Stephen D. Williams TOWN SURVEYOR  
 STEPHEN D. WILLIAMS, FLS 8876  
 EXPIRES 09/30/2022

**TAX COLLECTOR'S STATEMENT**

I, TINA VERNON, THE OFFICIAL COMPUTING REPRESENTATIVE FOR THE COUNTY OF NEVADA, STATE OF CALIFORNIA, DO HEREBY CERTIFY THAT ACCORDING TO THE RECORDS OF MY OFFICE THERE ARE NO LIENS FOR UNPAID TAXES OR SPECIAL ASSESSMENTS COLLECTED AS TAXES AGAINST THE LANDS SUBDIVIDED HEREON, EXCEPT TAXES OR ASSESSMENTS NOT YET PAYABLE BUT CONSTITUTING AN ALIEN ARE.

8/12/21 DATE  
Tina Vernon COUNTY TREASURER TAX COLLECTOR  
 TINA VERNON

**RECORDER'S STATEMENT**

FILED THIS 21st DAY OF Sept 2021 AT 8:01 AM IN BOOK 9 OF SUBDIVISIONS, AT PAGE 26. AT THE REQUEST OF SCD PLANNING & ENGINEERING, INC.

DOCUMENT # 20210030906  
Gregory J. Diaz COUNTY RECORDER  
 GREGORY J. DIAZ

SEE 496 BY Gregory J. Diaz DEPUTY  
 SHEET 1 OF 8



MAP 26

Sub 9/24 DRW

**NOTES**

- 1) THE VESTING DEED TO THE SUBJECT PROPERTY IS RECORDED PER DOC. NO. 2019-0036287, O.R.N.C.
- 2) COVENANTS, CONDITIONS AND RESTRICTIONS ARE RECORDED PER DOCUMENT NO. 2008-0029382, O.R.N.C. AND MODIFIED PER DOCUMENTS 2009-0013866, 2010-0075882, AND 2010-0215803, O.R.N.C.
- 3) PURSUANT TO SECTION 66434(G) AND SECTION 66489, 20 1/2 OF THE SUBDIVISION MAP ACT THE FOLLOWING EASEMENTS / DEDICATIONS AS SHOWN ON THE FINAL MAP OF THE VILLAGE AT GRAY'S CROSSING PHASE 1, IN BOOK 8 OF SUBDIVISIONS PAGE 182, NEVADA COUNTY RECORDS THAT LIE WITHIN THE BOUNDARY OF THIS SUBDIVISION ARE: A 15' WIDE BIKEWAY WITHIN LOT "F" AND "D" ALONG WITH PORTIONS OF A 15' WIDE BICYCLE AND PEDESTRIAN EASEMENT AND PORTIONS OF OPEN SPACE "Z".
- 4) AN AIRPORT AVIATION AND HAZARD EASEMENT FOR THE TRUCKEE AIRPORT AND HAZARD EASEMENT FOR THE TRUCKEE AIRPORT ARE RECORDED IN THE TRUCKEE AIRPORT DISTRICT HAS BEEN RECORDED AS DOCUMENT NO. 2004-0045840, O.R.N.C.
- 5) AN AIRPORT DEED RESTRICTION PROVIDING DISCLOSURE TO POTENTIAL BUYERS OF THE EXISTENCE OF THE TRUCKEE AIRPORT AND RESTRICTED RIGHTS HAS BEEN RECORDED AS DOCUMENT NO. 2004-0046854, O.R.N.C.
- 6) THE USE OF WOOD-BURNING DEVICES WITHIN ANY PORTION OF THE PROJECT IS FORBIDDEN.
- 7) A COMMUNITY BENEFIT FEE AGREEMENT MAY AFFECT THE PROPERTY AND IS RECORDED AS DOCUMENT 2004-0007621, O.R.N.C. AND AMENDED PER DOCUMENT 2004-0007621, O.R.N.C.
- 8) A COMMUNITY BENEFIT FEE AGREEMENT MAY AFFECT THE PROPERTY AND IS RECORDED AS DOCUMENT 2003-0067691, O.R.N.C. AND AMENDED PER DOCUMENT 2004-0007922, O.R.N.C.
- 9) A COMMUNITY BENEFIT FEE AGREEMENT MAY AFFECT THE PROPERTY AND IS RECORDED AS DOCUMENT 2003-0067692, O.R.N.C. AND AMENDED PER DOCUMENT 2004-0007923, AND 2004-0051654, O.R.N.C.
- 10) A GRAY'S CROSSING DEVELOPMENT AGREEMENT MAY AFFECT THE PROPERTY AND IS RECORDED AS DOCUMENT 2004-0012288, O.R.N.C. PROPERTY AND IS RECORDED AS DOCUMENT 2010-0015885, O.R.N.C.
- 11) AN EASEMENT AND COST SHARING AGREEMENT MAY AFFECT THE PROPERTY AND IS RECORDED AS DOCUMENT 2010-0015885, O.R.N.C.
- 12) A TRAIL DEDICATION AND MAINTENANCE AGREEMENT MAY AFFECT THE PROPERTY AND IS RECORDED AS DOCUMENT 2011-0001226, O.R.N.C.
- 13) A MELLO ROSAS COMMUNITY FACILITIES DISTRICT AFFECTS THE PROPERTY AND IS RECORDED AS COMMUNITY FACILITIES DISTRICT NO. 04-01.
- 14) PUBLIC WATER WILL BE SUPPLIED BY TRUCKEE DONNER PUBLIC UTILITY DISTRICT. PUBLIC SEWER WILL BE SUPPLIED BY TRUCKEE SANITARY AGENCY.
- 15) A DECLARATION OF ANNEXATION TO THE MASTER DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR THE VILLAGE AT GRAY'S CROSSINGS (PHASE 4) IS BEING RECORDED CONCURRENTLY AS DOCUMENT NO. 2021-~~0024707~~ O.R.N.C.
- 16) A DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR THE VILLAGE AT GRAY'S CROSSINGS (TOWNHOME SUB-ASSOCIATION) IS BEING RECORDED CONCURRENTLY AS DOCUMENT NO. 2021-~~0024705~~ O.R.N.C.

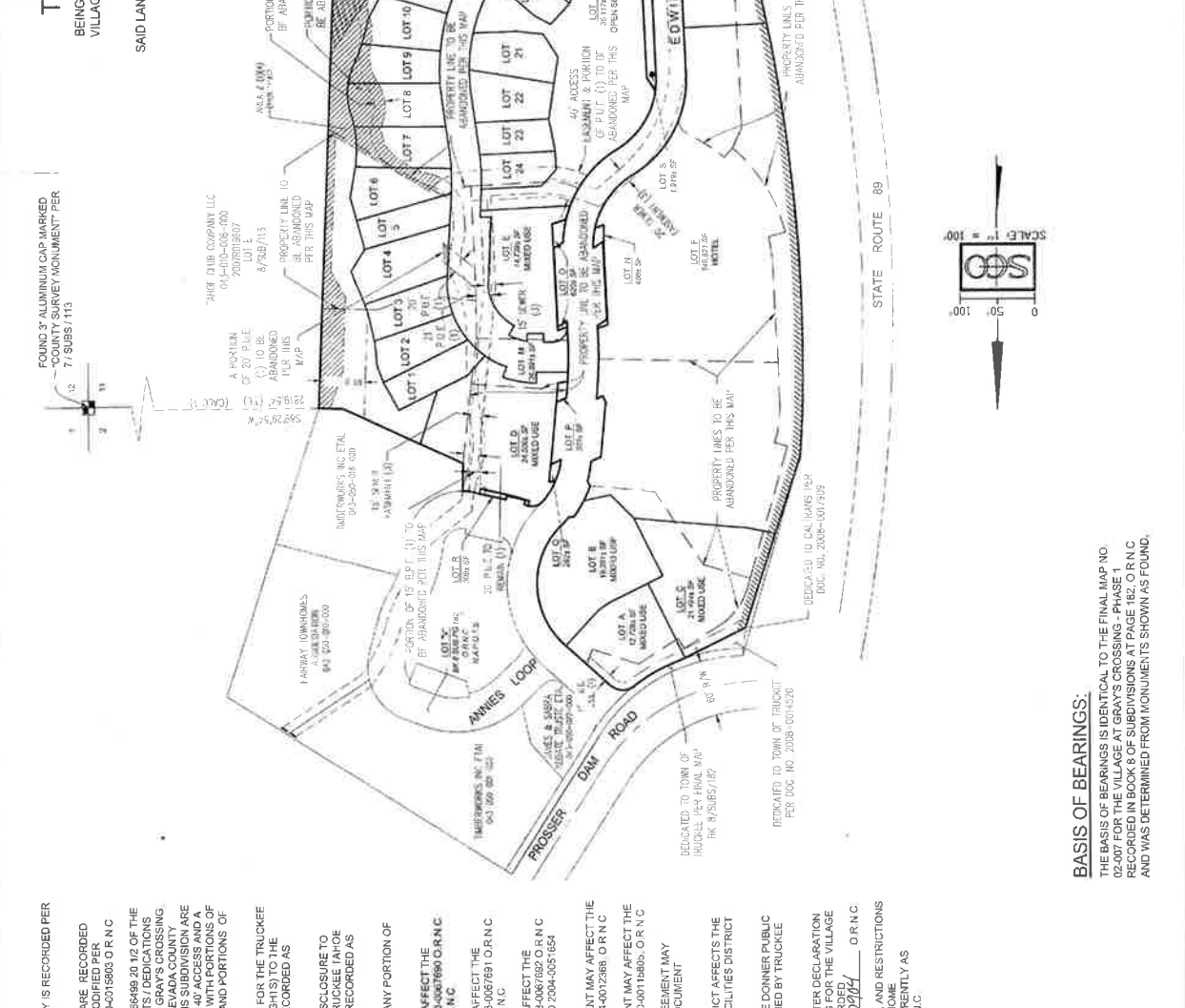
**BASIS OF BEARINGS:**

THE BASIS OF BEARINGS IS IDENTICAL TO THE FINAL MAP NO. 02-007 FOR THE VILLAGE AT GRAY'S CROSSING - PHASE 1 RECORDED IN BOOK 8 OF SUBDIVISIONS AT PAGE 182, O.R.N.C. AND WAS DETERMINED FROM MONUMENTS SHOWN AS FOUND.

**SCO ENGINEERING & SURVEYING**  
 1401 Laramie Street, Suite 240  
 Carson Valley, CA 95966  
 Phone: 530.937.2860  
 Fax: 530.937.2861

**FINAL MAP NO. 2020-0000029/FM**  
**THE VILLAGE AT GRAY'S CROSSING**  
 BEING A PORTION OF LOTS D, E, F, G, J, K, L, M, N, O, Q, AND R AS SHOWN ON THE VILLAGE AT GRAY'S FINAL MAP RECORDED IN BOOK 8 OF SUBDIVISIONS AT PAGE 182, OFFICIAL RECORDS NEVADA COUNTY.

SAID LAND BEING A PORTION OF SECTION 2, TOWNSHIP 17 NORTH, RANGE 16 EAST, M.D.M., WITHIN THE TOWN OF TRUCKEE, NEVADA COUNTY, CALIFORNIA.  
 JULY, 2021



**LEGEND:**

- SECTION CORNER 1 1/2" P. WITH CAP MARKED LS 3859 PER BOOK 7 SUBS PAGE 113 O.R.N.C.
- RECORD INFORMATION PER 87 SUBS / 182
- RECORD INFORMATION PER INSTRUMENT NO. 2004-0025837, O.R.N.C.
- RECORD INFORMATION PER INSTRUMENT NO. 2008-0025831, O.R.N.C.
- RECORD INFORMATION PER INSTRUMENT NO. 2008-0025831, O.R.N.C.
- RADIAL BEARING
- BICYCLE AND PEDESTRIAN EASEMENT
- DRAINAGE EASEMENT
- DRIVEWAY EASEMENT
- PUBLIC ACCESS EASEMENT
- PUBLIC UTILITY EASEMENT
- OFFICIAL RECORDS NEVADA COUNTY
- SNOW STORAGE EASEMENT
- OVERALL
- 100 YEAR FLOODPLAIN
- 50' SETBACK TO THE 100 YEAR FLOODPLAIN (OR AS OTHERWISE APPROVED BY THE TOWN OF TRUCKEE)
- NO ABUTTERS RIGHTS TO STATE ROUTE 89 PER DOC. 2007-007283 O.R.N.C.

**FOUNDry ALUMINUM CAP MARKED COUNTY SURVEY MONUMENT PER 71 SUBS / 113**

**SCALE 1" = 100'**

**STATE ROUTE 89**

**FOUNDry ALUMINUM CAP MARKED COUNTY SURVEY MONUMENT PER 71 SUBS / 113**

**FOUNDry ALUMINUM CAP MARKED COUNTY SURVEY MONUMENT PER 71 SUBS / 113**

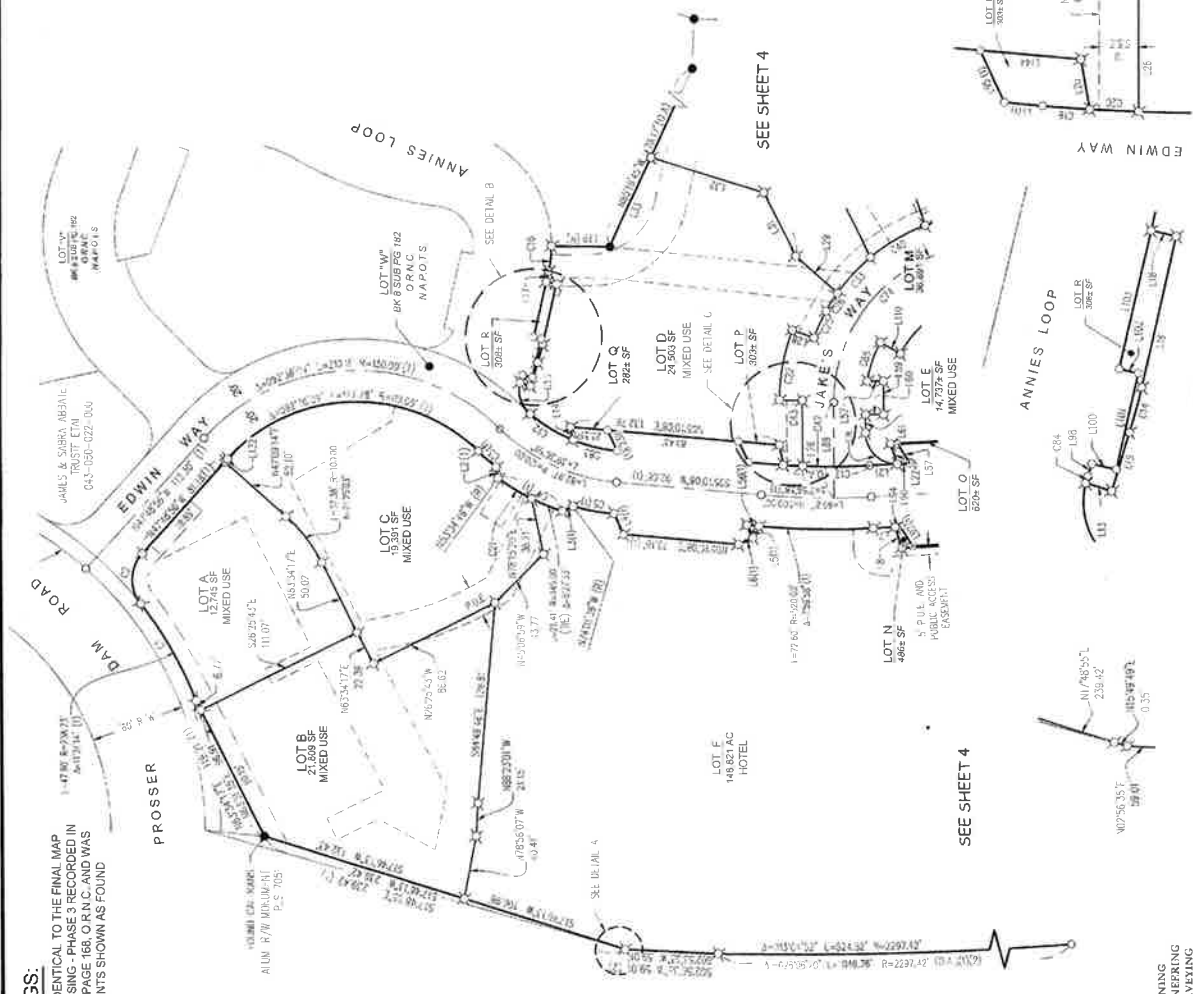
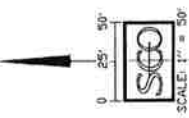
Sub 01200  
 DW

SHEET 2 OF 8

**BASIS OF BEARINGS:**

THE BASIS OF BEARINGS IS IDENTICAL TO THE FINAL MAP NO. 02-007 FOR GRAY'S CROSSING - PHASE 3 RECORDED IN BOOK 8 OF SUBDIVISIONS MAPS AS FOUND DETERMINED FROM MONUMENTS SHOWN AS FOUND

**FINAL MAP NO. 2020-00000029/FM  
THE VILLAGE AT GRAY'S CROSSING**  
BEING A PORTION OF LOTS 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000



LINE #	LENGTH	DIRECTION
L1	9.65	S 12°00'00" W
L2	7.77	N 80°45'30" E
L3	7.26	S 26°27'09" E
L4	14.68	N 65°10'08" E
L5	5.03	S 85°00'00" W
L6	9.99	N 24°45'22" W
L7	14.15	N 02°40'59" W
L8	4.11	S 72°10'10" W
L9	6.96	N 17°20'17" E
L10	8.43	S 80°10'06" W
L11	15.68	N 27°15'30" W
L12	38.46	N 77°01'45" W
L13	2.87	N 77°01'45" W
L14	5.65	S 12°38'15" E
L15	9.07	N 03°45'29" E
L16	13.00	N 89°00'00" E
L17	17.67	N 02°49'50" W
L18	13.66	S 77°18'10" W
L19	40.65	N 66°48'51" W
L20	4.65	S 01°21'14" W
L21	1.26	N 14°63' N 19°19'12" C
L22	35.35	S 41°26'58" W
L23	74.36	N 17°35'14" E

LINE #	LENGTH	DIRECTION
L24	32.14	N 65°19'42" W
L25	7.57	N 05°10'08" E
L26	10.50	S 00°00'00" W
L27	21.26	N 89°59'51" W
L28	11.63	N 00°30'09" E
L29	11.73	N 89°59'51" W
L30	14.66	S 5°10'10" W
L31	6.06	N 89°59'51" W
L32	8.33	N 02°49'50" W
L33	14.66	N 57°10'10" E
L34	3.34	S 32°49'50" W
L35	14.66	S 65°10'08" W
L36	3.21	N 70°53'45" W
L37	6.47	N 12°38'15" E
L38	26.25	N 77°01'45" W
L39	5.00	S 12°38'15" W
L40	36.18	N 77°01'45" W
L41	2.33	N 95°15'57" E
L42	2.33	N 47°48'45" W
L43	29.84	N 05°10'08" E
L44	14.67	N 65°10'08" E

LINE #	LENGTH	DIRECTION
L45	14.66	S 5°10'10" W
L46	6.06	N 89°59'51" W
L47	8.33	N 02°49'50" W
L48	14.66	N 57°10'10" E
L49	3.34	S 32°49'50" W
L50	14.66	S 65°10'08" W
L51	3.21	N 70°53'45" W
L52	6.47	N 12°38'15" E
L53	26.25	N 77°01'45" W
L54	5.00	S 12°38'15" W
L55	36.18	N 77°01'45" W
L56	2.33	N 95°15'57" E
L57	2.33	N 47°48'45" W
L58	29.84	N 05°10'08" E
L59	14.67	N 65°10'08" E

**NOTES**

- 1) SEE SHEETS 6 & 7 FOR EASEMENT SPECIFICS

**LEGEND:**

- SET 5/8" REBAR W/ CAP STAMPED "P.L.S. 8321" OR AS INDICATED WHERE CORNER FALLS WITHIN OR AT THE EDGE OF THE CURB OR SIDEWALK CORNER IS MARKED WITH A SCRIBE IN CONCRETE
- FOUND 5/8" REBAR W/ PLASTIC CAP, MARKED "P.L.S. 4332" PER FINAL MAP OF GRAY'S CROSSING - PHASE 3 PER 8 / SUBS / 1 68 O.R.N.C
- - NOTHING FOUND, DIMENSION POINT
- (2) - RECORD INFORMATION PER 8 / SUBS / 182
- N.A.P.O.T.S. - NOT A PART OF THIS SUBDIVISION
- \*O.R.N.C. - OFFICIAL RECORDS NEVADA COUNTY
- S.S.E. - SNOW STORAGE EASEMENT
- (O.A.) - OVERALL

**SEE SHEET 4**

**SEE SHEET 4**

**DETAIL "C"**  
SCALE: 1" = 20'

**DETAIL "B"**  
SCALE: 1" = 20'

**DETAIL "A"**  
SCALE: 1" = 20'

**SCS**  
PLANNING & SURVEYING  
841 Linn Drive, Suite 200  
Carson Valley, CA 95925  
www.scsmap.com

# FINAL MAP NO. 2020-0000029/FM THE VILLAGE AT GRAY'S CROSSING

BEING A PORTION OF LOTS D, E, F, G, J, K, L, M, N, O, P, Q, AND R AS SHOWN ON THE VILLAGE AT GRAY'S FINAL MAP RECORDED IN BOOK 8 OF SUBDIVISIONS AT PAGE 182, OFFICIAL RECORDS NEVADA COUNTY, CALIFORNIA.

SAID LAND BEING A PORTION OF SECTION 2, TOWNSHIP 17 NORTH, RANGE 16 EAST, M.D.M., WITHIN THE TOWN OF TRUCKEE, NEVADA COUNTY, CALIFORNIA  
JUNE, 2021



LINE #	FINCH	DIRECTION	LENGTH	DIRECTION
1	14.12	N 02°48'48" W	54.45	S 20°14'48" W
2	14.11	N 37°10'10" W	20.50	N 42°17'31" E
3	15	S 22°33' N 00°00'00" E	18.5	N 37°10'10" W
4	110	S 1°59' N 02°10'10" W	18.6	S 47°10'10" E
5	111	S 1°02' S 85°02'34" E	11.88	S 37°10'10" W
6	121	S 1°58' S 77°10'10" W	15.0	N 02°48'48" W
7	122	S 1°58' S 77°10'10" W	15.0	N 02°48'48" W
8	123	S 1°58' S 77°10'10" W	15.0	N 02°48'48" W
9	124	S 1°58' S 77°10'10" W	15.0	N 02°48'48" W
10	125	S 1°58' S 77°10'10" W	15.0	N 02°48'48" W
11	126	S 1°58' S 77°10'10" W	15.0	N 02°48'48" W
12	127	S 1°58' S 77°10'10" W	15.0	N 02°48'48" W
13	128	S 1°58' S 77°10'10" W	15.0	N 02°48'48" W
14	129	S 1°58' S 77°10'10" W	15.0	N 02°48'48" W
15	130	S 1°58' S 77°10'10" W	15.0	N 02°48'48" W
16	131	S 1°58' S 77°10'10" W	15.0	N 02°48'48" W
17	132	S 1°58' S 77°10'10" W	15.0	N 02°48'48" W
18	133	S 1°58' S 77°10'10" W	15.0	N 02°48'48" W
19	134	S 1°58' S 77°10'10" W	15.0	N 02°48'48" W
20	135	S 1°58' S 77°10'10" W	15.0	N 02°48'48" W
21	136	S 1°58' S 77°10'10" W	15.0	N 02°48'48" W
22	137	S 1°58' S 77°10'10" W	15.0	N 02°48'48" W
23	138	S 1°58' S 77°10'10" W	15.0	N 02°48'48" W
24	139	S 1°58' S 77°10'10" W	15.0	N 02°48'48" W

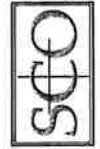
LINE #	FINCH	DIRECTION	LENGTH	DIRECTION
25	140	S 1°58' S 77°10'10" W	15.0	N 02°48'48" W
26	141	S 1°58' S 77°10'10" W	15.0	N 02°48'48" W
27	142	S 1°58' S 77°10'10" W	15.0	N 02°48'48" W
28	143	S 1°58' S 77°10'10" W	15.0	N 02°48'48" W
29	144	S 1°58' S 77°10'10" W	15.0	N 02°48'48" W
30	145	S 1°58' S 77°10'10" W	15.0	N 02°48'48" W
31	146	S 1°58' S 77°10'10" W	15.0	N 02°48'48" W
32	147	S 1°58' S 77°10'10" W	15.0	N 02°48'48" W
33	148	S 1°58' S 77°10'10" W	15.0	N 02°48'48" W
34	149	S 1°58' S 77°10'10" W	15.0	N 02°48'48" W
35	150	S 1°58' S 77°10'10" W	15.0	N 02°48'48" W
36	151	S 1°58' S 77°10'10" W	15.0	N 02°48'48" W
37	152	S 1°58' S 77°10'10" W	15.0	N 02°48'48" W
38	153	S 1°58' S 77°10'10" W	15.0	N 02°48'48" W
39	154	S 1°58' S 77°10'10" W	15.0	N 02°48'48" W
40	155	S 1°58' S 77°10'10" W	15.0	N 02°48'48" W
41	156	S 1°58' S 77°10'10" W	15.0	N 02°48'48" W
42	157	S 1°58' S 77°10'10" W	15.0	N 02°48'48" W
43	158	S 1°58' S 77°10'10" W	15.0	N 02°48'48" W
44	159	S 1°58' S 77°10'10" W	15.0	N 02°48'48" W
45	160	S 1°58' S 77°10'10" W	15.0	N 02°48'48" W

### NOTES

1) SEE SHEETS 6, 7, & 8 FOR EASEMENT SPECIFICS

### LEGEND:

- SET 5/8" REBAR W/ CAP STAMPED "P.L.S. 8321" OR AS INDICATED WHERE CORNER FALLS WITHIN OR AT THE EDGE OF THE CURB OR SIDEWALK CORNER IS MARKED WITH A SCRIBE IN CONCRETE
- FOUND 5/8" REBAR W/ PLASTIC CAP - MARKED "P.L.S. 4332" PER FINAL MAP OF GRAY'S CROSSING - PHASE 3 PER 8 / SUBS 7, 168, OR N.C.
- NOTHING FOUND, DIMENSION POINT
- RECORD INFORMATION PER 8 / SUBS 7, 168
- RECORD INFORMATION PER INSTRUMENT NO. 2004-0058397, OR N.C.
- RECORD INFORMATION PER INSTRUMENT NO. 2006-0028831, OR N.C.
- RADIAL BEARING
- DRAINAGE EASEMENT
- DEED EASEMENT
- NOT A PART OF THIS SUBDIVISION
- PUBLIC ACCESS EASEMENT
- PUBLIC UTILITY EASEMENT
- OFFICIAL RECORDS NEVADA COUNTY
- OVERALL
- 100 YEAR FLOODPLAIN
- SETBACK TO THE 100 YEAR FLOODPLAIN (OR AS OTHERWISE APPROVED BY THE TOWN OF TRUCKEE)



PLANNING  
SURVEYING  
1811 Lakeshore, Suite 200  
Carlin, NV 89801  
Tel: 775.233.2888  
Fax: 775.233.2889

Sub 216  
Dew



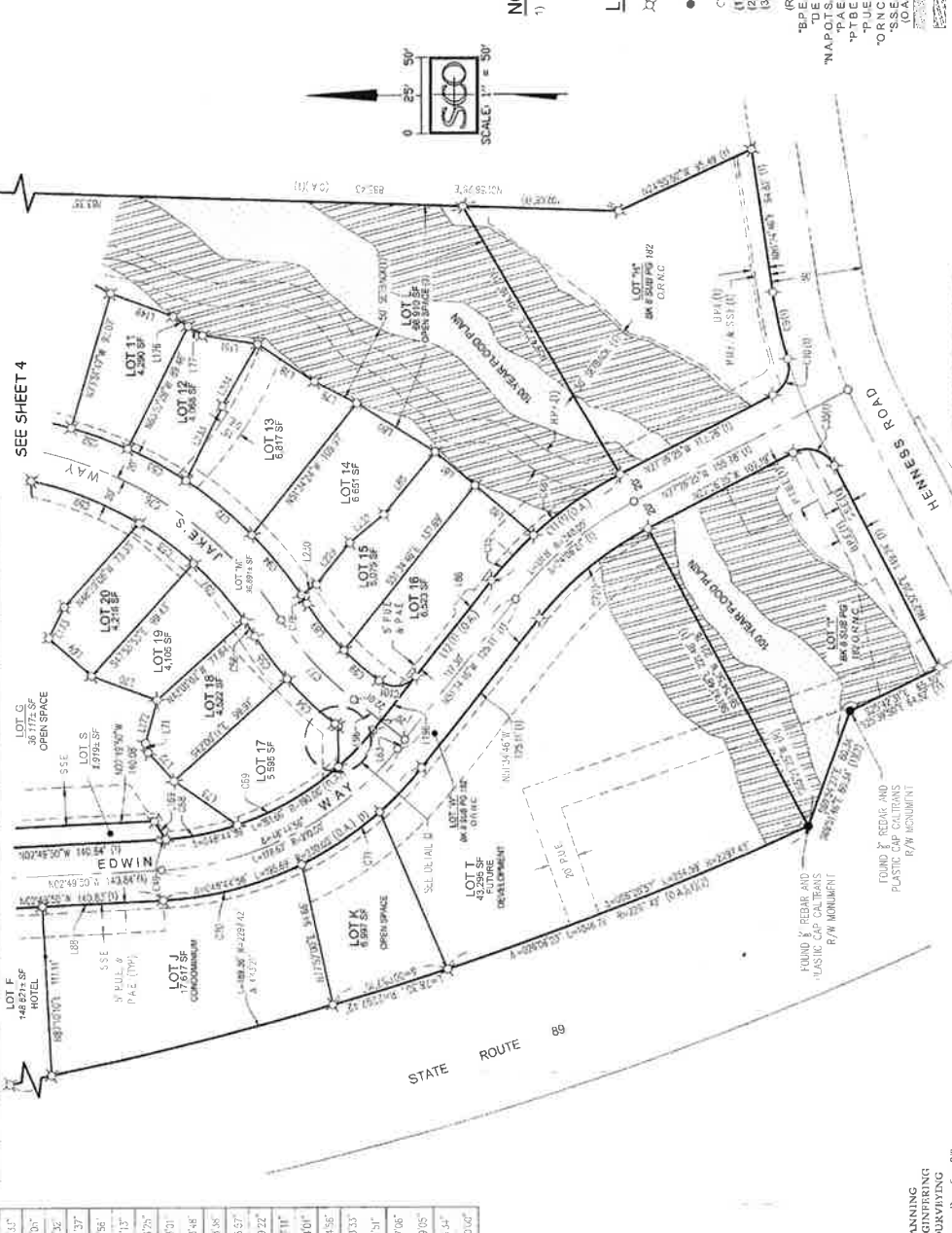
# FINAL MAP NO. 2020-0000029/FM THE VILLAGE AT GRAY'S CROSSING

BEING A PORTION OF LOTS D, E, F, G, J, K, L, M, N, O, P, Q, AND R AS SHOWN ON THE VILLAGE AT GRAY'S FINAL MAP RECORDED IN BOOK 8 OF SUBDIVISIONS AT PAGE 182, OFFICIAL RECORDS NEVADA COUNTY.

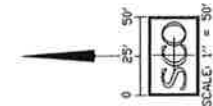
SAID LAND BEING A PORTION OF SECTION 2, TOWNSHIP 17 NORTH, RANGE 16 EAST, M.D.M. WITHIN THE TOWN OF TRUCKEE, NEVADA COUNTY, CALIFORNIA.  
JUNE, 2021

LINE #	LENGTH	DIRECTION	LINE #	LENGTH	DIRECTION	LINE #	LENGTH	DIRECTION	LINE #	LENGTH	DIRECTION	LINE #	LENGTH	DIRECTION
L12	45.57	N 53°34'46" W	L18	38.26	S 09°17'43" W	L24	11.44	S 37°15'28" W	L30	52.87	S 50°35'06" E	L36	80.30	N 57°51'46" W
L13	26.57	N 89°44'27" E	L19	79.06	S 74°38'15" E	L25	22.74	N 63°20'04" W	L31	68.73	S 07°19'50" E	L37	44.41	S 33°05'27" W
L14	22.74	S 9°54'46" E	L20	22.74	N 63°20'04" W	L26	96	42°01" N 30°29'14" W	L32	117.6	S 20°14'19" W	L38	117.6	S 20°14'19" W
L15	27.74	S 4°04'06" E	L21	117.6	N 30°29'14" W	L27	117.6	S 20°14'19" W	L33	117.6	S 20°14'19" W	L39	117.6	S 20°14'19" W
L16	45.57	S 20°39'05" W	L22	117.6	N 30°29'14" W	L28	117.6	S 20°14'19" W	L34	117.6	S 20°14'19" W	L40	117.6	S 20°14'19" W
L17	25.35	S 47°39'42" W	L23	117.6	N 30°29'14" W	L29	117.6	S 20°14'19" W	L35	117.6	S 20°14'19" W	L41	117.6	S 20°14'19" W

CURVE #	LENGTH	RADIUS	DELTA	CURVE #	LENGTH	RADIUS	DELTA
C7	32.89	230.00	44.68°	C11	81.38	730.00	19°11'
C9	45.05	310.00	47.20°	C12	36.08	270.00	10°54'00"
C10	22.74	200.00	29.28°	C13	71.06	310.00	19°23'33"
C11	114.54	200.00	44.00°	C14	38.35	192.00	11°37'06"
C12	65.81	246.00	49°20'	C15	50.89	270.00	10°49'05"
C13	31.44	200.00	30°21'45"	C16	38.17	192.00	11°37'06"
C14	66.83	260.00	45°11'00"	C17	28.70	170.00	16°00'00"
C15	3.50	150.00	110°13'				
C16	39.76	770.00	61°20'				
C17	43.40	270.00	91°26'				
C18	42.89	230.00	104°13'				
C19	14.97	210.00	84°08'				
C20	12.19	230.00	30°13'				
C21	30.81	300.00	17°28'25"				
C22	44.36	330.00	11°01'01"				
C23	75.85	230.00	18°51'48"				
C24	54.01	180.00	14°33'38"				
C25	76.65	190.00	23°08'57"				
C26	94.29	200.00	28°29'22"				
C27	81.38	730.00	19°11'				
C28	36.08	270.00	10°54'00"				
C29	78.34	250.00	16°04'56"				
C30	71.06	310.00	19°23'33"				
C31	6.64	270.00	25°31'				
C32	38.35	192.00	11°37'06"				
C33	50.89	270.00	10°49'05"				
C34	38.17	192.00	11°37'06"				
C35	28.70	170.00	16°00'00"				



SEE SHEET 4



DETAIL "D"  
SCALE 1" = 10'

### NOTES:

- 1) SHEETS 6, 7, & 8 FOR EASEMENT SPECIFICS

### LEGEND:

- ✕ SET 5/8" REBAR W/ CAP STAMPED "P.L.S. 6531" OR AS INDICATED. SET REBAR CORNER IS MARKED WITH A SCRIBE IN CONCRETE OR SIDEWALK CORNER IS MARKED WITH A SCRIBE IN CONCRETE.
- FOUND 5/8" REBAR W/ PLASTIC CAP, MARKED "P.L.S. 4332" PER FINAL MAP OF GRAY'S CROSSING - PHASE 3 PER 8 / SUBS / 168, O.R.N.C.
- NOTHING FOUND, DIMENSION POINT
- (1) - RECORD BEARING, EASEMENT PER 4 / SUBS / 148
- (2) - RECORD INFORMATION PER INSTRUMENT NO. 2004-065537, O.R.N.C.
- (3) - RECORD INFORMATION PER INSTRUMENT NO. 2004-0228931, O.R.N.C.
- (R) - SOCIAL BEARING, EASEMENT
- (D) - DRAINAGE EASEMENT
- (N) - NOT A PART OF THIS SUBDIVISION
- (P.A.E.) - PUBLIC ACCESS EASEMENT
- (P.T.B.E.) - PUBLIC TRANSIT AND BUS SHELTER EASEMENT
- (P.U.E.) - PUBLIC UTILITY EASEMENT
- (S.A.E.) - SNOW STORAGE EASEMENT
- (O.A.) - OVERALL
- (100Y) - 100 YEAR FLOODPLAIN
- (50Y) - 50 YEAR FLOODPLAIN (OR AS OTHERWISE APPROVED BY THE TOWN OF TRUCKEE)

SCO  
PLANNING & SURVEYING  
480 Laurel Drive, Suite 200  
Carson Valley, CA 95955  
Phone: 530.937.2200  
Fax: 530.937.2200

3/6/20  
DW



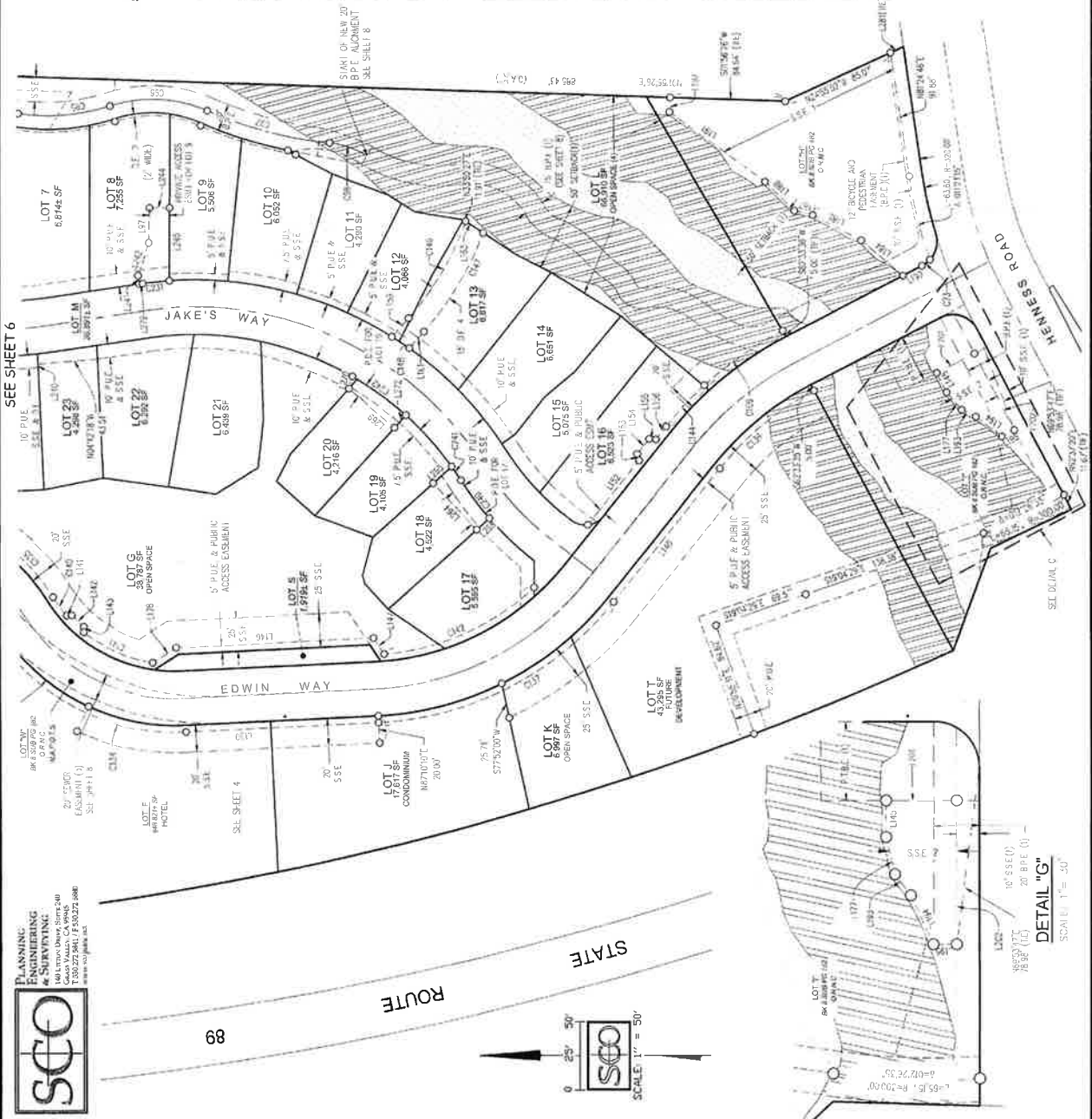


**PLANNING & SURVEYING**  
 140 Laramie Drive, Suite 240  
 Carson Valley, CA 95745  
 (530) 938-2888  
 www.sco-planning.com

SEE SHEET 6

**FINAL MAP NO. 2020-0000029/FM**  
**THE VILLAGE AT GRAY'S CROSSING**  
 BEING A PORTION OF LOTS D, E, F, G, J, K, L, M, N, O, P, Q, AND R AS SHOWN ON THE VILLAGE AT GRAY'S FINAL MAP RECORDED IN BOOK 8 OF SUBDIVISIONS AT PAGE 182, OFFICIAL RECORDS NEVADA COUNTY

SAID LAND BEING A PORTION OF SECTION 2, TOWNSHIP 17 NORTH, RANGE 16 EAST, MD M., WITHIN THE TOWN OF TRUCKEE, NEVADA COUNTY, CALIFORNIA.  
 JUNE, 2021



LINE #	LENGTH	DIRECTION	LINE #	LENGTH	DIRECTION	CURVE DATA
197	76.54'	S 89°26'08" E	199	15.65'	S 77°06'51" E	C13
198	160.62'	N 02°19'55" W	200	31.08'	N 27°02'25" W	C14
199	125.11'	N 51°14'16" W	202	61.35'	N 87°33'55" E	C15
200	3.95'	S 00°29'07" E	204	2.07'	S 87°23'12" W	C16
201	3.95'	S 87°23'12" W	206	12.92'	S 71°06'04" E	C17
202	12.00'	S 44°20'53" W	208	6.25'	N 81°43'51" E	C18
203	164.88'	S 02°19'55" W	210	35.56'	N 89°56'03" E	C19
204	14.57'	S 70°34'46" W	212	14.71'	S 00°00'00" E	C20
205	6.17'	S 89°24'27" W	214	18.44'	S 27°01'02" E	C21
206	148.57'	S 51°24'46" E	216	12.47'	N 13°00'11" W	C22
207	4.91'	N 73°51'21" E	218	44.01'	N 40°26'44" E	C23
208	14.01'	S 51°24'46" E	220	9.78'	S 71°29'21" E	C24
209	18.18'	S 03°00'54" W	222	17.13'	N 13°53'53" E	C25
210	12.00'	S 81°24'46" E	224	35.68'	N 08°16'09" W	C26
211	16.17'	S 49°27'08" E	226	10.42'	S 24°55'52" E	C27
212	3.74'	8.61'	N 15°59'17" E			C28
213	17.01'	N 49°26'48" E				C29
214	20.49'	S 25°56'42" E				C30
215	40.30'	N 40°14'28" E				C31
216	40.55'	N 77°29'54" E				C32
217	13.85'	N 13°09'27" E				C33
218	58.27'	N 44°49'10" E				C34
219	87.00'	N 36°11'50" E				C35
220	10.70'	S 89°03'34" E				C36
221	11.58'	N 25°10'17" E				C37
222	23.75'	N 37°29'37" E				C38
223	19.30'	S 27°22'49" E				C39

- LEGEND:**
- O - NOTHING FOUND, DIMENSION POINT
  - (1) - RECORD INFORMATION PER 8 / SUBS / 102
  - (2) - RECORD INFORMATION PER 8 / SUBS / 102
  - (3) - RECORD INFORMATION PER INSTRUMENT NO. 2007-0021544, O.R.N.C
  - (4) - RECORD INFORMATION PER INSTRUMENT NO. 2008-0028931, O.R.N.C
  - (R) - RADIAL BEARING
  - B.P.E. - BICYCLE AND PEDESTRIAN EASEMENT
  - N.A.P.O.D.E. - DRAINAGE EASEMENT SUBDIVISION
  - O.R.N.C. - OFFICIAL RECORDS NEVADA COUNTY
  - P.D.E. - PRIVATE DRAINAGE EASEMENT
  - P.A.E. - PUBLIC ACCESS EASEMENT
  - P.U.E. - PUBLIC UTILITY EASEMENT
  - P.T.B.E. - PUBLIC TRANSIT & BUS SHELTER EASEMENT
  - S.S.C. - SURFACE STORAGE EASEMENT
  - (O.A.) - OVERALL



**VILLAGE AT GRAY'S CROSSING MASTER ASSOCIATION  
OPERATING SUBSIDIZATION SCHEDULE**

Phase	Lot Count	Per Lot Monthly Assessment	Series 200 Subsidized Line Items Which Only the Developer Pays	Per Lot Estimated Amount of Developer Subsidy Under 200 Series and Developer Both Pay	Series 200 Unsubsidized Line Items Which Owner and Developer Both Pay	Per Lot Unsubsidized Amount Which Owner and Developer Both Pay	Per Lot Monthly Subsidized Assessment which Owner and Developer Both Pay
4	41 lot	\$242.60 inc. \$65.25 of Reserves	201, 203, 208, 208A, 211, 216, 217A, 217B, 217C & 217D	(\$121.92)	None	\$0	\$120.68

All owners within Phase 4 are entitled to pay the subsidized assessment of \$120.68 per lot per month which amount includes \$65.25 of reserves for a maximum period of three (3) months following the close of the first escrow in Phase 4 of the Village at Gray's Crossing Master Association, or until the first escrow in Phase 5 closes, whichever shall occur first.

During the term of the Operating Subsidy Agreement, the developer is required to solely pay for any costs incurred by the Association for the following line items shown on the Department of Real Estate Association Operating Budget for Phase 4 (RE 623 Form):

- 1. 201: Electricity = \$4.27
- 2. 203: Water = \$9.13
- 3. 208: Landscape Maintenance = \$18.02
- 4. 208A: Landscape Supplies = \$1.19
- 5. 211: Private Streets, Driveways and Parking Areas Maintenance = \$3.66
- 6. 216: Reserve Study = \$3.05
- 7. 217A: Minor Repairs, R & M Labor/Materials = \$6.25
- 8. 217B: Pest Control (common area only) = \$2.00
- 9. 217C: Snow Removal = \$68.25
- 10. 217D: Retention Ponds/BMP's = \$6.10

The estimated total for the subsidized line items is \$121.92 per month per lot. However, pursuant to the subsidy, the developer will pay only the actual expenses for the particular line items incurred by the Association for the subsidized line items during the term of the Operating Subsidy Agreement.

The developer is not obligated to extend the Operating Subsidy Agreement term or to subsidize project owners when additional phases are annexed into the Association. If the Operating Subsidy Agreement were to expire after the three (3) month maximum term, assessments would rise to the then unsubsidized rate adopted by the Village at Gray's Crossing Master Association Board.

**OPERATING SUBSIDY AGREEMENT**  
**FOR THE**  
**VILLAGES AT GRAY'S CROSSING MASTER ASSOCIATION**  
**(PHASE 4)**

THIS "OPERATING SUBSIDY AGREEMENT FOR THE VILLAGES AT GRAY'S CROSSING MASTER ASSOCIATION (PHASE 4)" ("Agreement") is entered into this 20<sup>th</sup> day of December 2023, by and between the Village at Gray's Crossing Master Association, a California nonprofit mutual benefit corporation (hereinafter referred to as the "Association") and Village at Gray's Crossing, LLC, a California limited liability company (hereinafter referred to as the "Developer").

**RECITALS**

A. Developer owns a portion of the following described real property in Nevada County, California, described on Exhibit "A", attached hereto (hereinafter referred to as the "Property");

B. In connection with the development of the Property, the Declaration entitled "Master Declaration of Covenants, Conditions and Restrictions for The Village at Gray's Crossing" ("Master Declaration") which recorded December 15, 2008 as Instrument No. 2008-029832 of the Official Records of said County, as modified by a "First Amendment to Master Declaration of Covenants, Conditions and Restrictions for The Village at Gray's Crossing" ("Master First Amendment") which recorded on May 28, 2009 as Instrument No. 2009-0013606-00 of the Official Records of said County, as further modified by a "Second Amendment to Master Declaration of Covenants, Conditions and Restrictions for The Village at Gray's Crossing" ("Master Second Amendment") which recorded on July 9, 2010 as Instrument No. 2010-015803 of the Official Records of said County and as annexed thereto by that certain "Declaration of Annexation for Phase 4 of The Fairway Townhomes to the Master Declaration for The Village at Gray's Crossing" ("Master Association Annexation") which recorded September 21, 2021 as Document No. 20210030904 of the Official Records of Nevada County, provides that right to levy Assessments and Individual Charges shall commence as to all lots in the Project, or a subsequent phase, thereof on the first day of the month following the close of escrow for the first conveyance of a Lot in the Project or subsequent Phase thereof.

C. The Association has been created in order to provide for and assume the responsibilities of the management of the common area as provided in the Declaration.

D. The Declaration provides for the regular and special assessments ("Assessments") of the owners of interests in the Project for the purpose of providing funds sufficient to, among other purposes, operate, keep and maintain the Common Area. The Declaration provides for the imposition and enforcement of such assessments and specifically provides that the Developer shall pay such Assessments with respect to each interest owned by it.

E. Developer and Association desire that Developer, in lieu of payment by all interest owners, including the Developer, of that portion of the Assessments allocated to be utilized for the maintenance of the common area and related facilities, directly perform or be responsible for the payment of necessary maintenance of such areas and facilities.

F. Regulation 2792.10(a)(1) of Title 10, Chapter 6, California Administrative Code, provides that in the event a developer shall subsidize the costs of operating and/or maintaining Common Areas and

facilities, it shall enter into a written contract with the governing association specifying the respective obligations of such parties.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES, AGREEMENTS, COVENANTS, CONDITIONS AND UNDERTAKING HEREIN CONTAINED AND FOR OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH IS HEREBY ACKNOWLEDGED, THE PARTIES AGREE AS FOLLOWS:

1. Obligations of Developer. Under the terms of this Agreement, the Developer shall be obligated to do the following:

(a) Perform, or cause to be performed, at its cost and expense, all services, and purchase, or cause to be purchased, at its cost and expense, all goods necessary to the operation and maintenance of the Common Area in the manner and to the extent required of the Association in the Declaration, identified as Line Items 201, 203, 208, 208A, 211, 216, 217A, 217B, 217C and 217D within the 200 series section entitled "Operating Costs", as contained in the proforma operating budget for the Association, and

(b) Render the Association, at least monthly, an accounting containing a description and valuation of the goods and services provided or furnished directly by the Developer pursuant hereto, similar to the "Monthly Operating Expense Summary", attached hereto as Exhibit "B".

The work to be performed, or caused to be performed by Developer hereunder shall be performed promptly and efficiently and in a good and workmanlike manner in strict compliance with all applicable laws, ordinances, regulations and any specifications which the Association may from time to time designate. All such work shall, in any event, be consistent with the initially completed construction of the Common Area.

In the event of a dispute between the Developer and the Association with respect to the performance by Developer in accordance with the provisions of Paragraph 1, the issue or issues shall be submitted, at the request of either party, to arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association before an arbitrator selected from the panels of the arbitrators of said Association. The fee payable to such Association to initiate the arbitration shall be remitted by the Developer, provided, however, that the costs of arbitration shall ultimately be borne as determined by the arbitrator under the aforementioned Rules.

2. Obligation of Association. In consideration of the performance and provision by Developer of the foregoing services and goods, the Association shall release all interest owners, including the Developer from its obligation to pay that portion of the Assessment, which are allocable to the maintenance and operation services to be provided by Developer on behalf of the Association hereunder, as denoted within the 200 series section of the proforma operating budget entitled "Operating Costs", referenced in 1(a) above.

3. Fixed Costs, Reserves, Administration, Contingency. Nothing herein shall be deemed to release any interest owner, including the Developer from their obligation to pay, in accordance with the Declaration, the remaining portion of the Assessments including, but not limited to, that portion allocable to Fixed Costs, Section 100; the establishment of RESERVES, Section 300, for replacement and major maintenance in accordance with accepted property management practices; Administration, Section 400; and for Contingency, Section 500, as identified in the proforma operating budget for the Association. Further, all interest owners, including the Developer shall remain responsible for the payment of Special



Assessments for Capital Improvements, Emergency Assessments, and Individual Assessments as those terms are defined in the Declaration.

4. Term. The term of this Agreement shall commence on the first day of the month following the closing of the first escrow in Phase 4 of the Project and shall terminate three (3) months from the date thereof, or upon closing of the first escrow in Phase 5, WHICHEVER OCCURS FIRST, provided however this Agreement may be terminated by the Association by written notice to the Developer providing for a sixty day termination upon a majority vote of the membership which includes at least a majority of the votes of members other than the Developer. Upon termination of this Agreement, the Developer and the members of the Association other than the Developer, shall be obligated to pay to the Association, the full monthly assessment then in effect. At the end of said period, the Developer and the Association may mutually agree in writing to extend this agreement for a negotiated period of time.

5. Security for Performance. The obligation of the Developer under Section 1 shall be guaranteed for the term of this agreement as provided in Section 4 by a bond or other device in an amount as required by the Department of Real Estate and delivered to a neutral escrow depository acceptable to the Department as trustee for the Association with mutual written instructions to such depository which shall provide as follows:

(a) The security shall remain in the custody of the neutral depository which shall not release the security until the Depository has received a certified copy of a resolution of the Association adopted not more than thirty days prior to its receipt, stating that the Developer has faithfully and fully performed all of its obligations hereunder; and

(b) In the event of a dispute between the Developer and the Association with respect to the question of satisfaction of the conditions for exoneration or release of the security, the issue or issues shall, at the request of either party, be submitted to arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association before an arbitrator selected from the panels of the arbitrators of said Association. The fee payable to such Association to initiate the arbitration shall be remitted by the Developer provided, however, that the costs of arbitration shall ultimately be borne as determined by the arbitrator under the aforementioned Rules. The Developer and Association agree to abide by the determination of the arbitrator with respect to the exoneration or release of the security and with respect to payment of the costs of arbitration.

6. Warranties of Association. The Association warrants to the Developer that it shall:

(a) Release and exonerate the security upon the fulfilling by Developer of its obligations hereunder; and

(b) Levy all Assessments allowable under the Declaration and this Agreement against all interests in the Project and diligently enforce and collect such Assessments, PROVIDED, HOWEVER, THAT SUCH INTEREST OWNERS, OTHER THAN DEVELOPER, SHALL BE RELEASED FROM THEIR OBLIGATION TO PAY THAT PORTION OF THE ASSESSMENT APPLICABLE TO THOSE LINE ITEMS IN SECTION 200 IF AND TO THE EXTENT THAT THE DEVELOPER IS SO RELEASED UNDER THIS AGREEMENT. All interest owners, including the Developer, are subject to the payment of the budgeted Fixed Costs, Section 100; Reserves, Section 300; Administration, Section 400; and Contingency, Section 500; and other assessments as provided in Paragraph 3 above.

7. Remedies of Association. Should the Developer fail to faithfully perform its obligation under this Agreement, the Association Board shall consider and vote on the question of action by the Association to enforce the obligations under the bond or other financial guarantee posted by the Developer to secure performance under this Agreement as provided in Section 5 above.



A special meeting of members of the Association for the purpose of voting to override a decision by the Board not to initiate action to enforce the obligations under the bond or other financial guarantee or on the failure of the Board to consider and vote on the question, shall be held not less than 35 days nor more than 45 days after receipt by the Board of a petition for such meeting signed by members representing 5% or more of the total voting power of the Association. At such special meeting, a vote of a majority of the voting power of the Association residing in members other than Declarant to take action to enforce the obligations under the bond or other financial guarantee shall be deemed to be the decision of the Association and the Board shall thereafter implement this decision by initiating and pursuing appropriate action in the name of the Association.

8. Assignment. This Agreement and the rights and obligations of each of the parties are personal to such parties and may not be transferred or assigned without the prior written consent of the other.

9. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the successors in interest, assigns and personal representatives of the respective parties.

10. Governing Law. This Agreement shall be construed and governed by the laws of the State of California.

11. Attorneys' Fees. In the event a dispute arises with respect to this Agreement, the party prevailing in such dispute shall be entitled to recover all expenses, including without limitation, reasonable attorneys' fees and expenses, incurred in ascertaining such party's rights, in preparing to enforce, or in enforcing such party's rights under this Agreement, whether or not it was necessary for such party to institute suit.

12. Miscellaneous Provisions. The various headings and numbers herein and the grouping of provisions of this Agreement into separate articles and paragraphs are for the purpose of convenience only and shall not be considered a part hereof. The language in all parts of this Agreement shall in all cases be construed in accordance to its fair meaning as if prepared by all parties to the Agreement and not strictly for or against any of the parties.

13. Notice. All notices or other communications made pursuant hereto shall be delivered personally or mailed by certified or registered mail, postage prepaid to the parties at the following addresses:

Association: Village at Gray's Crossing Master Association  
12650 Caleb Circle  
Truckee, CA 96161

Developer: Gray's Crossing Investments LLC  
140 Heron Way  
Merced, CA 95341

All notices so mailed shall be deemed received 24 hours after deposit in the United States mail. Either party may change its address for the purpose of this paragraph by giving written notice of such change to the other party in the manner provided herein.


14. Delivery. Developer shall furnish the Association with an executed copy of this Agreement no later than 10 days after the close of escrow for the first sale of a unit in the Project.

15. Amendment. This Agreement may be amended or modified only by a written instrument duly executed by both parties hereto.

IN WITNESS WHEREOF, the parties have fully executed this Agreement on the date first written above.

DEVELOPER

VILLAGE AT GRAY'S CROSSING, LLC,  
a California limited liability company

By:   
Name: John Abbate  
Title: Manager

ASSOCIATION

VILLAGE AT GRAY'S CROSSING  
MASTER ASSOCIATION, a California  
non-profit corporation

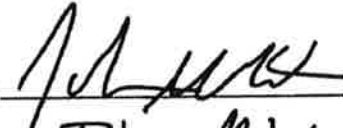
By:   
Name: John Abbate  
Title: Director  
non-profit corporation

EXHIBIT "A"

DESCRIPTION OF PROPERTY SUBJECT TO AGREEMENT

All that certain real property situated in the County of Nevada, State of California, described as follows:

- Phase 1: Lots B1 through B5, as shown on that certain map entitled "Final Map No. 02-007, The Village at Gray's Crossing, Phase 1", which map was filed for record in the Office of the Nevada County Recorder December 15, 2008, in Book 8 of Subdivisions, at Page 182.
- Phase 2: Lots A1 through A8, inclusive, as shown on the final Subdivision Map for "The Village at Grays Crossing, Phase 1", filed in the Official Records of Nevada County, California on December 15, 2008 at Book 8 of Maps, Page 182.
- Phase 3: Lots C1 through C4, inclusive, as shown on the final Subdivision Map for "The Village at Grays Crossing, Phase 1", filed in the Official Records of Nevada County, California on December 15, 2008 at Book 8 of Maps, Page 182.
- Phase 4: Lots 1 through 24, inclusive, as shown on that certain map entitled "Final Map - FM 2020-00000029/FM, The Village at Gray's Crossing" filed in the Official Records of Nevada County, California on September 21, 2021 in Book 9 of Subdivisions, Page 26.

EXHIBIT "B"

MONTHLY OPERATING EXPENSE SUMMARY

VILLAGE AT GRAY'S CROSSING MASTER ASSOCIATION

From: \_\_\_\_\_

Month of: \_\_\_\_\_

**200 OPERATING COSTS**

201	Electricity	_____	*
203	Water	_____	*
208	Landscape Maintenance	_____	*
208A	Landscape Supplies	_____	*
211	Private Streets, Driveways and Parking Areas Maintenance	_____	*
216	Reserve Study	_____	*
217A	Minor Repairs, R & M Labor/Materials		
217B	Pest Control (common area only)	_____	*
217C	Snow Removal	_____	*
217D	Retention Ponds/BMP's	_____	*
	<b>TOTAL EXPENSES PAID</b>	_____	*

\* Note: actual amounts to be filled in each month.

THE VILLAGE AT GRAY'S CROSSING  
(MASTER ASSOCIATION - PHASE 4)

RE 623 ID #6230200B010

Page 3 of 15

**BUDGET SUMMARY**

PHASE NUMBER	DATE OF BUDGET	DRE FILE NUMBER	
4	4/13/21 Revised 2/3/23	166490SA	
NUMBER OF UNITS	TRACT NUMBER/NAME OF PROJECT		
41 Lots	The Village at Gray's Crossing		
41 Lots	Per Unit Per Month	Total Monthly	Total Annual
<b>100 FIXED COSTS</b>			
101. Property Taxes			
102. Corporation Franchise Taxes	0.10	4.17	50.00
103. Insurance	13.92	570.83	6,850.00
104. Local License & Inspection Fees			
105. Estimated Income Taxes	1.73	70.83	850.00
<b>100 - Sub Total</b>	<b>15.75</b>	<b>645.83</b>	<b>7,750.00</b>
<b>200 OPERATING COSTS</b>			
201. Electricity (attach work sheet)	✓	4.27	175.05
Lighting: Leased			
202. Gas (attach work sheet)			
203. Water (attach work sheet)	✓	9.13	374.48
204. Sewer/Septic Tanks (include if not in 203)			
205. Cable TV/Master Antenna			
207. Custodial Area <i>Number of Restrooms:</i>			
208. Landscape Area (See Page 15.)	✓	18.02	739.00
208A Landscape Supplies	✓	1.19	48.75
209. Refuse Disposal (incl. in 208)			
210. Elevators <i>Number: Type:</i>			
211. Private Streets, Driveways, Parking Areas <i>Area: 121,564 s.f.</i>	✓	3.66	150.00
212. Heating & Air Conditioning Maintenance <i>Area:</i>			
213. Swimming Pool <i>Number: Size: Mths. heated:</i> <i>Spa Number: Size:</i>			
214. Tennis Court <i>Number:</i>			
215. Access Control <i>Guard Hours Per Day:</i> <i>No. of Motorized Gates: Type:</i> <i>No. of Intercoms/Telephone Entry:</i>			

**THE VILLAGE AT GRAY'S CROSSING  
(MASTER ASSOCIATION - PHASE 4)**

RE 623 ID #6230200B010

41 Lots	Per Unit Per Month	Total Monthly	Total Annual
216. Reserve Study (1/3rd of 3 year total)	✓ 3.05	125.00	1,500.00
<b>217. Miscellaneous</b>			
A. Minor Repairs, R & M Labor/Materials	✓ 6.25	256.25	3,075.00
B. Pest Control (common area only)	✓ 2.00	82.00	984.00
C. Snow Removal (107,458 s.f. s.f. @ \$.25 + 25%)	✓ 68.25	2,798.42	33,581.00
D. Retention Ponds/BMP's	✓ 6.10	250.00	3,000.00
E. Transportation/Maintenance Inspections			
218. Fire Sprinklers, Fire Alarms & Fire Extinguishers			
<b>200 - Sub Total</b>	121.92	4,998.95	59,988.00
<b>300 RESERVES</b>			
301 - 313 (attach reserve worksheet)	65.25	2,675.08	32,101.00
<b>300 - Sub Total</b>	65.25	2,675.08	32,101.00
<b>400 ADMINISTRATION</b>			
401. Management *	22.00	902.00	10,824.00
402. Legal Services	4.17	170.83	2,050.00
403. Accounting	10.67	437.50	5,250.00
404. Education #, Board Expenses	2.00	82.00	984.00
405. Misc., Office Exp., Bank Fees, Postage	5.00	205.00	2,460.00
<b>400 - Sub Total</b>	43.84	1,797.33	21,568.00
<b>TOTAL (100 - 400)</b>	231.01	9,471.36	113,657.00
<b>500 CONTINGENCY</b>			
501. New Construction 5%	11.59	473.64	5,683.00
502. Conversions 6%			
503. Revenue Offsets (attach documentation)			
<b>TOTAL BUDGET</b>	242.60	9,945.00	119,340.00

☐ DRE regulations allow the use of variable assessments against units only if one unit will derive as much as 10 percent more than another unit in the value of common goods and services supplied by the association.

After determining the percent of benefit derived from services provided (page 14) by the association, an easy chart to follow would be:

Less than 10% .....	equal assessments
from 10% to 20% .....	variable or equal
Over 20% .....	variable assessments

The budget and management documents indicate (check appropriate box):

- equal assessments
- variable assessments

☐ The inventory and quantities used in the preparation of this budget are normally derived from plans completed prior to construction and may vary slightly from actual field conditions. The calculated budget is a good faith estimate of the projected costs and should be deemed reliable for no more than one year. The Board of Directors should conduct an annual review of the Association's actual costs and revise the budget accordingly.

\* Depending upon the level of service selected by the Association, the amount shown may be insufficient to cover the cost and may be higher.

# Educational seminars to be attended by board members is anticipated not to exceed \$500 annually.

**FINAL MAP - F.M. 2020-00000029/FM  
VILLAGE AT GRAY'S CROSSING  
a.k.a. VILLAGE AT GRAY'S CROSSING TOWNHOMES**

**ASSESSMENT SUMMARY  
(VARIABLE SUB-ASSOCIATION AND SUBSIDIZED MASTER ASSOCIATION ASSESSMENTS)  
(per lot per month)**

Dated: November 27, 2023

**VILLAGE AT GRAY'S CROSSING TOWNHOME ASSOCIATION - SUB-ASSOCIATION**

Building Type	Unit Type	Unit Size	Unit Count	Assessment	Reserves *
Bldg. A	Unit A	2,566 s.f.	4 ea.	\$598.83	\$232.88
Bldg. A	Unit B	2,566 s.f.	4 ea.	\$598.83	\$232.88
Bldg. B	Unit A	2,573 s.f.	2 ea.	\$599.50	\$233.36
Bldg. B	Unit B	2,553 s.f.	2 ea.	\$597.58	\$232.00
Bldg. C	Unit A	1,893 s.f.	6 ea.	\$534.01	\$187.14
Bldg. C	Unit B	1,893 s.f.	6 ea.	\$534.01	\$187.14
Average			24 ea.	\$566.40	\$210.00

**VILLAGE AT GRAY'S CROSSING MASTER ASSOCIATION - MASTER ASSOCIATION**

Phase	Lot Count	Reserves *	Assessment	Less Subsidy	Subsidized Assessment **
Phase 4	41 Lots	\$65.25	\$242.60	(\$121.92)	\$120.68
Built-Out	108 Lots/Units	\$27.00	\$149.80	N/A	\$149.80

\* Reserve figure included in budget figure; displayed here separately for clarity.

\*\* The Operating Subsidy will be in effect for a period of three (3) months from the close of the first escrow in Phase 4 or until the close of the first escrow in Phase 5, whichever occurs first.

**BUDGET WORKSHEET**

**VILLAGE AT GRAY'S CROSSING TOWNHOMES**

RE 623 (Rev. 4/18)

BUDGET REVIEW

**GENERAL INFORMATION**

This budget is a good faith estimate from plans prior to construction and/or completion (for new projects) or from a combination of plans and/or site inspections (for existing projects). For existing projects, there may have been historical data as support for some line items, but changes to the project may make historical data not applicable or reliable. This budget was prepared for the purpose of obtaining a public report.

The association must adopt a budget in accordance with the California Civil Code. If that budget is less than 10% or greater than 20% from this budget, you should contact the Department of Real Estate. The association may increase or decrease its budget. It is typical for costs to increase as the project ages. The association should conduct a reserve study after its first year of operation to adjust the reserve funding plan for any changes which may have taken place during construction.

DRE FILE NUMBER (IF KNOWN) 166490SA	MASTER DRE FILE # 166490SA	DEPUTY ASSIGNED FILE (IF KNOWN) Gil Hatfield
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**SUBDIVISION IDENTIFICATION AND LOCATION**

NAME AND/OR TRACT NUMBER Final Map - F.M. 2020-00000029/FM, The Village at Gray's Crossing (Lots 1 through 24, Inclusive)		
NAME TO BE USED IN ADVERTISING (IF DIFFERENT THAN NAME OR TRACT NUMBER) a.k.a. Village at Gray's Crossing Townhomes		
STREET ADDRESS (IF ANY)	CITY	COUNTY
	Town of Truckee	Nevada
MAIN ACCESS ROAD(S)	NEAREST TOWN/CITY	MILES/DIRECTION FROM TOWN/CITY
Prosser Dam Road / State Route 89 off Edwin Way	N/A	N/A

**TYPE OF SUBDIVISION**

- |   |   |
|---|---|
| <input type="checkbox"/> Condominium                        | <input type="checkbox"/> Planned Development Land Project |
| <input type="checkbox"/> Condominium Conversion             | <input type="checkbox"/> Planned Development Mobile Home  |
| <input type="checkbox"/> Stock Cooperative                  | <input type="checkbox"/> Community Apartment              |
| <input type="checkbox"/> Stock Cooperative Conversion       | <input type="checkbox"/> Out-of-State                     |
| <input type="checkbox"/> Limited Equity Housing Corporation | <input type="checkbox"/> Undivided Interest               |
| <input checked="" type="checkbox"/> Planned Development     | <input type="checkbox"/> Undivided Interest Land Project  |

NUMBER OF LOTS/UNITS 24 Lots - Total	PHASE # 1	TOTAL # IN PROJECT 1	PREVIOUS DRE FILE # N/A	# OF ACRES 3.1274± Acres - Total
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**BUDGET PREPARER**

Name J.O. Hazzard Subdivision Consulting, Inc.	Attention John O. Hazzard	Telephone Number (916) 444-9960
Address P.O. Box 1147	City Elk Grove	Zip Code CA, 95759-1147

**Certification**

*I declare under penalty of perjury that the representations and answers to questions in this document and all documents submitted as a part of the homeowners budget are true and complete to the best of my knowledge and belief. The estimated figures of this Budget are based on circumstances and available data supplied by our client (\*). If there are any changes in such information, documentation or the services required by the Association, such adjustments necessitate revisions to the Budget. The Association may increase or decrease assessments at any time in accordance with the procedure prescribed in the Restrictions or Bylaws. The undersigned accepts no liability for preparation of this Budget in the event a new developer acquires the project. This Pro Forma Operating Budget is viable for a period one year from drafting. The undersigned certifies that this electronic recreation of Department of Real Estate (DRE) form RE 623 contains at least the same information as the DRE form.*

SIGNATURE OF BUDGET PREPARER 	Date 4/9/21 Revised 2/3/23 Revised 11/27/23
---	---



**IMPROVEMENTS WORKSHEET**

\* If this phase will have any line items shown on pages 3, 4 and 5 hereof exempted from payment of assessments under Regulation 2792.16(c), asterisk those items on pages 3, 4 and 5 and list any partially deferred costs on a separate sheet showing calculations and attach. All exempted improvements must be covered by reasonable arrangements for completion. Include Planned Construction Statement (RE 611A) for review.

1.	Number of buildings containing residential units . . . . .	24 Halfplexes = 12 Buildings		
2.	Estimated completion date for the residential units included in this phase . . . . .	12/2023		
3.	Estimated completion date for the common area and facilities included in this phase . . . . .	5/2023		
4.	Type of residential building for this project (i.e., highrise, cluster, garden, etc.) . . . . .	Cluster Duets		
5.	Type of construction for these buildings (i.e., steel, concrete, wood frame, etc.) . . . . .	Wood Frame		
6.	Type of roof (i.e., shake, etc.) . . . . .	Metal		
7.	Type of paving used in the project . . . . .	Asphaltic Concrete		
8.	Type of exterior wall for residential buildings. . . . .	Wood & Painted Metal		
9.	Number of residential units per building . . . . .	Two		
10.	Number of floors per building . . . . .	Two		
11.	Number of bedrooms per unit . . . . .	Three & Three + Media		
12.	Square footage of units (list number and size of each unit type) . . . . .	Bldg. Type A:	<u>Unit A (4)</u> Living: 2,566 sf Gar. + Sto.: 598 sf Cov. Terr.: 664 sf Unc. Bal.: 197 sf	<u>Unit B (4)</u> Same as Unit A
		Bldg. Type B:	<u>Unit A (2)</u> Living: 2,573 sf Gar. + Sto.: 550 sf Cov. Terr.: 712 sf Unc. Bal.: 0 sf	<u>Unit B (2)</u> Living: 2,553 sf Gar. + Sto.: 559 sf Cov. Terr.: 574 sf Unc. Bal.: 0 sf
		Bldg. Type C:	<u>Unit A (6)</u> Living: 1,893 sf Gar. + Sto.: 533 sf Cov. Terr.: 534 sf Unc. Bal.: 88 sf	<u>Unit B (6)</u> Same as Unit A
13.	Type of parking facilities and number of spaces (i.e., detached garage, tuck-under, subterranean, carport, open, etc.) . . . . .	Two-Car Attached Garage Per Lot		
		Private Driveways: 2 Open Spaces Per Lot		

**Complete 14 and 15 for Phased Condominium Projects Only**

N/A

14. Have you submitted budgets for all phases to be completed within the next three calendar years and a built-out budget? . . . . .  Yes  No
15. If this condominium project involves phasing with a single lot, submit a budget for *each* phase plus a budget which will be used *if* future phases are not completed. (Commonly referred to as a *worst case budget*.)

**VILLAGE AT GRAY'S CROSSING TOWNHOMES**

RE 623 ID #6230200B010

Page 3 of 16

**BUDGET SUMMARY**

PHASE NUMBER		DATE OF BUDGET	DRE FILE NUMBER	
1 of 1		4/9/21 Revised 11/27/23	166490SA	
NUMBER OF UNITS		TRACT NUMBER/NAME OF PROJECT		
24 Lots		The Villages at Gray's Crossing Townhomes		
24 Lots		Per Unit Per Month	Total Monthly	Total Annual
<b>100 FIXED COSTS</b>				
101. Property Taxes				
102. Corporation Franchise Taxes		0.17	4.17	50.00
103A Insurance (Units) .34 s.f. x 53,496 s.f.		63.16	1,515.75	18,189.00
103B Insurance (Gen. Liab., D&O, Fidelity, Etc.)		11.28	270.83	3,250.00
104. Local License & Inspection Fees				
105. Estimated Income Taxes				
<b>100 - Sub Total</b>		<b>74.61</b>	<b>1,790.75</b>	<b>21,489.00</b>
<b>200 OPERATING COSTS</b>				
201. Electricity (attach work sheet)				
Lighting: Leased				
202. Gas (attach work sheet)				
203. Water (attach work sheet)				
204. Sewer/Septic Tanks (include if not in 203)				
205. Cable TV/Master Antenna				
207. Custodial Area Number of Restrooms:				
208. Landscape Area (See Page 15.)		50.54	1,212.92	14,555.00
208A Landscape Supplies		5.05	121.25	1,455.00
209. Refuse Disposal				
210. Elevators Number:    Type:				
211. Private Streets, Driveways, Parking Areas Area: 31,092 s.f.		4.17	100.00	1,200.00
212. Heating & Air Conditioning Maintenance Area:				
213. Swimming Pool Number:        Size:        Mths. heated:  Spa Number:        Size:				
214. Tennis Court Number:				
215. Access Control Guard Hours Per Day: No. of Motorized Gates:    Type: No. of Intercoms/Telephone Entry:				

**VILLAGE AT GRAY'S CROSSING TOWNHOMES**

24 Lots	Per Unit Per Month	Total Monthly	Total Annual
216. Reserve Study (1/3rd of 3 year total)	4.63	111.08	1,333.00
<b>217. Miscellaneous</b>			
A. Minor Repairs	7.00	168.00	2,016.00
B. Pest Control	2.00	48.00	576.00
C. Lakes/Waterways			
D. Snow Removal - Driveways Only (16,800 s.f.)	7.81	187.50	2,250.00
E. Community Network			
F. Maintenance Manual Inspections			
G. Elevated Elements Inspections	3.13	75.00	900.00
218. Fire Sprinklers, Fire Alarms & Fire Extinguishers			
<b>200 - Sub Total</b>	84.33	2,023.75	24,285.00
<b>300 RESERVES</b>			
301 - 313 (attach reserve worksheet)	210.00	5,039.42	60,473.00
<b>300 - Sub Total</b>	210.00	5,039.42	60,473.00
<b>400 ADMINISTRATION</b>			
401. Management * inc. accounting & program fees	153.75	3,690.00	44,280.00
402. Legal Services	6.08	145.83	1,750.00
403. Accounting	8.85	212.50	2,550.00
404. Education, Board Expenses, Bad Debt	2.00	48.00	576.00
405. Misc., Office Exp., Bank Fees, Postage	5.00	120.00	1,440.00
<b>400 - Sub Total</b>	175.68	4,216.33	50,596.00
<b>TOTAL (100 - 400)</b>	544.62	13,070.25	156,843.00
<b>500 CONTINGENCY</b>			
501. New Construction 4%	21.78	522.75	6,274.00
502. Conversions 6%			
503. Revenue Offsets (attach documentation)			
<b>TOTAL BUDGET</b>	566.40	13,593.00	163,117.00

† DRE regulations allow the use of variable assessments against units only if one unit will derive as much as 10 percent more than another unit in the value of common goods and services supplied by the association.

After determining the percent of benefit derived from services provided (page 14) by the association, an easy chart to follow would be:

- Less than 10% ..... equal assessments
- from 10% to 20% ..... variable or equal
- Over 20% ..... variable assessments

The budget and management documents indicate (check appropriate box):

- equal assessments
- variable assessments

† The inventory and quantities used in the preparation of this budget are normally derived from plans completed prior to construction and may vary slightly from actual field conditions. The calculated budget is a good faith estimate of the projected costs and should be deemed reliable for no more than one year. The Board of Directors should conduct an annual review of the Association's actual costs and revise the budget accordingly.

**VILLAGE AT GRAY'S CROSSING TOWNHOMES**

RE 623 ID #6230200B010

Page 5 of 16

**RESERVES WORKSHEET**

DRE FILE NUMBER 166490SA	NUMBER OF UNITS 24 Lots			TRACT NUMBER The Villages at Gray's Crossing Townhomes		
Item	(1)* Sq. Ft. or Number	(2)* Unit Cost HOA Manual	(3)* Replacement Cost	(4)* Remaining Life	Yearly Reserve Columns 1x2 or 3÷4	Cost Per Unit Per Month
Siding: Painted Metal (paint)	36,100 s.f.	.30			10,830.00	37.60
Siding: Wood (stain/paint)	36,100 s.f.	.40			14,440.00	50.14
Roof - Type: Metal	61,213 s.f.	.30			18,363.90	63.76
Interior Paint						
Water Heaters						
Street Lights						
Hard Floors - Type:						
Carpets						
Elevators						
Driveways (concrete)	16,800 s.f.	.05			840.00	2.92
Terraces (concrete pavers)	14,292 s.f.	.05			714.60	2.48
Pool Re-plaster						
Pool Heater						
Pool Filter						
Spa Re-plaster						
Spa Heater						
Spa Filter						
Pool/Spa Pumps - No:						
Tennis Courts - No:						
Furnishing/Equipment						
Fences (paint/stain)						
Fences (repair/replace) - Type:						
Walls (paint)						
Walls (repair/replace)						
Wrought Iron Fencing						
Pumps/Motors - Type:						
Motorized Gates						
Balconies (Waterproofing)	2,632 s.f.	.60			1,579.20	5.48
Elevated Elements (Balconies)	20 ea.		400.00/3 years		2,666.67	9.26
Postal Box Station	24 ea.		2,400.00	10	240.00	0.83
Landscape Irrigation	58,217 s.f.	.05			2,910.85	10.11
Sub-Total					52,585.22	182.58
Unallocated Reserves 15%					7,887.78	27.42
<b>TOTAL RESERVE</b>					<b>60,473.00</b>	<b>210.00</b>

\* Use either Columns 1 and 2 or 3 and 4, but not both for a particular item.

**Note: For space purposes, we have included only the components most frequently found in common-interest subdivisions. Reserve items should not be limited to the list above, but be tailored to your particular project.**

GENERAL PROJECT INVENTORY

- \* Complete schedules 1 through 6 below, then transfer the totals to Site Summary area.
- \* Frequently several buildings will be repeated in a subdivision. These may be combined on one line. Wherever additional space is required attach computations on a separate sheet.

SITE SUMMARY - TOTAL SUBDIVISION AREA			
	3.1274	acres x 43,560 =	136,230 Total square feet
1.	Building(s) footprint w/ terraces	61,213	sq. ft.
2.	Garages or carports	_____	sq. ft.
3.	Recreation facilities	_____	sq. ft.
4.	Paved surfaces (exc. terraces)	16,800	sq. ft.
5.	Restricted common areas	_____	sq. ft.
6.	Other:	_____	sq. ft.
	Sub Total (1-6)	78,013	sq. ft.
		<b>Total Square Ft. (from above)</b>	136,230 sq. ft.
		<b>Subtract Sub Total (1-6)</b>	78,013 sq. ft.
		<b>Remainder = common area landscape area</b>	58,217 sq. ft.

INDIVIDUAL SUMMARY SCHEDULES

1. Buildings Containing Units

Length	x	Width	=	Area of Each Bldg.	x	No. of Buildings	=	Total Area Square Feet
_____	x	_____	=	_____	x	_____	=	_____
_____	x	_____	=	_____	x	_____	=	_____
_____	x	_____	=	_____	x	_____	=	_____
<b>Total for Summary Item 1 above</b>								61,213

2. Multiple Detached Garages and Carports

_____	x	_____	=	_____	x	_____	=	_____
_____	x	_____	=	_____	x	_____	=	_____
_____	x	_____	=	_____	x	_____	=	_____
<b>Total for Summary Item 2 above</b>								_____

3. Recreational Facilities

Total Area

a. Recreation Room, Clubhouse, Lanai, or other  
(length x width = total sq. ft.)

\_\_\_\_\_ x \_\_\_\_\_ = \_\_\_\_\_ sq. ft.

b. Pools

Number: \_\_\_\_\_

Size: \_\_\_\_\_

\_\_\_\_\_ sq. ft.

c. Spas

Number: \_\_\_\_\_

Size: \_\_\_\_\_

\_\_\_\_\_ sq. ft.

d. Tennis Courts

Number: \_\_\_\_\_

Size: \_\_\_\_\_

Surface Type: \_\_\_\_\_

\_\_\_\_\_ sq. ft.

e. Other: (Describe)

\_\_\_\_\_ sq. ft.

**Total for Summary Item 3 above** \_\_\_\_\_ sq. ft.

4. Paved Areas (streets, parking, walkways, etc.)  
(length x width = square foot area)

Paving Material (concrete, asphalt, etc.)

\_\_\_\_\_ x \_\_\_\_\_ = 16,800

Concrete - Driveways/Walkways

\_\_\_\_\_ x \_\_\_\_\_ = 14,292

Concrete Pavers - Terraces

\_\_\_\_\_ x \_\_\_\_\_ = \_\_\_\_\_

\_\_\_\_\_ x \_\_\_\_\_ = \_\_\_\_\_

**Total for Summary Item 4 above** 31,092 sq. ft.

5. Restricted Common Areas Use (patio, etc.)  
Describe and attach calculations

\_\_\_\_\_

\_\_\_\_\_

**Total for Summary Item 5 above** \_\_\_\_\_ sq. ft.

6. Other - Describe and attach calculations

\_\_\_\_\_

\_\_\_\_\_

**Total for Summary Item 6 above** \_\_\_\_\_ sq. ft.

**ROOF RESERVE WORKSHEET**

(See page 15.)

Building*	Flat Roofed Area	Metal	Cement/Spanish Tile or Wood Shake Area
Building Type A (4,630 x 4)		18,520 s.f.	
Building Type B (5,494 x 2)		10,988 s.f.	
Building Type C (3,912 x 6)		23,472 s.f.	
<b>Totals</b>		52,980 s.f.	
<b>Modifications</b>		x 1.09 x 1.06	x x
<b>Grand Totals</b>		61,213 s.f.	

Pitch	Rise	Multiplier
One eighths	3" in 12"	1.03
One sixth	4" in 12"	1.06
Five 24ths	5" in 12"	1.08
One quarter	6" in 12"	1.12
One third	8" in 12"	1.20
One half	12" in 12"	1.42
Five eighths	15" in 12"	1.60
Three quarters	18" in 12"	1.80

\* Take areas of all buildings listed in Sections 1, 2 and 3a. Add 6% (a 1.06 multiplier) for each foot of roof overhang. In addition, adjust for roof pitch based upon the table below. The table converts horizontal area to roof area.

**PAINTING WORKSHEET**

**EXTERIOR**

Exterior painting area is determined by measuring the structure to find the perimeter (total distance around) and multiplying that by 10 for each story. Use a separate line for each story if the configuration of the building changes from story to story (for wood siding see Item 301 in the Cost Manual).

- Buildings (include garages, recreation buildings)

Type of Surface	Perimeter	x 10 ft.	x	No. of Stories	x	No of Bldg. (if identical)	=	Total Area
Bldg. A	310	x 10 ft.	x	2	x	4	=	24,800.00
Bldg. B	345	x 10 ft.	x	2	x	2	=	13,800.00
Bldg. C	280	x 10 ft.	x	2	x	6	=	33,600.00
		x 10 ft.	x		x		=	
<b>Total building paint area</b>								<u>72,200.00</u>

- Walls

Linear Feet	x	Height	x 2 *	=	Total Area
_____	x	_____	x 2 =	=	_____
_____	x	_____	x 2 =	=	_____
_____	x	_____	x 2 =	=	_____
<b>Total wall paint area</b>					_____
<b>Total Exterior Paint Area</b>					<u>72,200.00</u>

**INTERIOR**

Interior painting reserve is determined by measuring the room perimeter and multiplying by 8' and adding ceiling area.

Room/Type	Walls	x 8 ft.	=	Wall	+	Ceiling	=	Total Area
Descrip.	Perimeter			Area		(Length x Width)		
_____	:	_____	x 8 ft. =	_____	+	_____ x _____	=	_____
_____	:	_____	x 8 ft. =	_____	+	_____ x _____	=	_____
_____	:	_____	x 8 ft. =	_____	+	_____ x _____	=	_____
_____	:	_____	x 8 ft. =	_____	+	_____ x _____	=	_____
_____	:	_____	x 8 ft. =	_____	+	_____ x _____	=	_____
_____	:	_____	x 8 ft. =	_____	+	_____ x _____	=	_____
<b>Total Interior Paint Area</b>								_____
<b>TOTAL EXTERIOR AND INTERIOR</b>								<u>72,200.00</u>

**FENCES**

Fence requiring paint or stain (see Item 312 in manual for wood and wrought iron). Compute separately using higher cost--put on separate line on page 5 of the Reserve Worksheet.

Linear Feet	x	Height	x 2*	=	Total Area
_____	x	_____	x 2 =	=	_____
_____	x	_____	x 2 =	=	_____
_____	x	_____	x 2 =	=	_____
<b>Total fence area</b>					_____

\* Always multiply by 2 to cover the area for both sides of the wall or fence. If the wall or fence will be painted or stained on one side only, adjust your calculation and make appropriate notation on the worksheet.



**ELECTRICAL ENERGY CONSUMPTION WORKSHEET**  
N/A

**KWH per month**

**A. Lights (see Note 1)**

*(number of lights x average watt per light  
x average number hours in use per day x .03 = KWH per month)*

**1. Interior Lights (hallways, lobbies, garage, stairwells, etc.)**

\_\_\_\_\_ x \_\_\_\_\_ x \_\_\_\_\_ x .03 = \_\_\_\_\_

**2. Irrigation Controllers**

\_\_\_\_\_ x \_\_\_\_\_ x \_\_\_\_\_ x .03 = \_\_\_\_\_ \*

**3. Outdoor and Walkway Lights**

\_\_\_\_\_ x \_\_\_\_\_ x \_\_\_\_\_ x .03 = \_\_\_\_\_

**4. Street Lights**

\_\_\_\_\_ x \_\_\_\_\_ x \_\_\_\_\_ x .03 = \_\_\_\_\_

**B. Elevators (number of cabs x number of floor stops per cab x 167 KWH = KWH/month)**

\_\_\_\_\_ x \_\_\_\_\_ x 167 KWH = \_\_\_\_\_

**C. Tennis Court Lights (number of courts x 1000 KWH = KWH per month)**

\_\_\_\_\_ x 1000 KWH = \_\_\_\_\_

**D. Electric Heating**

*(0.25 KWH x sq. ft. heated = KWH per month for warm climates)  
(0.65 KWH x sq. ft. heated = KWH per month for cold climates)*

\_\_\_\_\_ x \_\_\_\_\_ = \_\_\_\_\_

**E. Hot Water Heating (320 KWH x number of 40 gallon tanks = KWH per month)**

320 KWH x \_\_\_\_\_ = \_\_\_\_\_

**F. Air Conditioning (number of sq. ft. cooled x .34 KWH = KWH per month)**

\_\_\_\_\_ x .34 KWH = \_\_\_\_\_

**G. Electrical Motors (see Notes 2 and 3)**

*(horsepower x watts x hours of use/ day x .03 x % of year in use = KWH/month)*

Motor #1 \_\_\_\_\_ x \_\_\_\_\_ x \_\_\_\_\_ x .03 x \_\_\_\_00% = \_\_\_\_\_

Motor #2 \_\_\_\_\_ x \_\_\_\_\_ x \_\_\_\_\_ x .03 x \_\_\_\_00% = \_\_\_\_\_

Motor #3 \_\_\_\_\_ x \_\_\_\_\_ x \_\_\_\_\_ x .03 x \_\_\_\_00% = \_\_\_\_\_

Motor #4 \_\_\_\_\_ x \_\_\_\_\_ x \_\_\_\_\_ x .03 x \_\_\_\_00% = \_\_\_\_\_

**H. Pool/Spa Heating**

*(Number of heaters x KWH rating x hours of daily use x 30 days = KWH per month)*

\_\_\_\_\_ x \_\_\_\_\_ x \_\_\_\_\_ x 30 days = \_\_\_\_\_

**TOTAL KWH PER MONTH**

\* By Lot Owners

N/A

I. Total Monthly Cost

*(total KWH per month x rate per KWH = total cost)*

- \_\_\_\_\_ x \$ \_\_\_\_\_ = \$ \_\_\_\_\_
- Monthly common meter charge \$ \_\_\_\_\_
- Total Monthly Cost \$ \_\_\_\_\_

Utility Company Name: Tahoe Donner P.U.D.  
 Telephone Number: (530) 587-3896

**Notes**

- 1 Do not include leased lights. Instead use lease agreement with rate schedule with budget work sheet. Put monthly charge into Item 201 leased lights. Use a minimum of 10 hours per day average usage for exterior lighting.
- 2 Motors are found in swimming pool pumping systems, circulating hot water systems, ventilation systems in subterranean garages, security gates, interior hallways, and interior stairwells and also in private water systems and fountains. (Hours of use for pool pumps - see Item 201 in the Cost Manual.)
- 3 Normally 1,000 watts per horsepower should be used. Check plate on motor or manufacturer's specifications. If wattage is not listed, it can be calculated by multiplying amps x volts.

**GAS CONSUMPTION WORKSHEET**

N/A

**Therms**

1. Water Heaters

*(number of dwelling units on association meters + laundry rooms + outdoor showers + recreation rooms = number units x 20 Therms = Therms per month)*

\_\_\_\_\_ + \_\_\_\_\_ + \_\_\_\_\_ + \_\_\_\_\_ = \_\_\_\_\_ x 20 Therms = \_\_\_\_\_

2. Pool (see Note\*)

*(BTU rating x hours of daily use x .0003 x % of year in use = Therms)*

Pool #1 \_\_\_\_\_ x \_\_\_\_\_ x .0003 x \_\_\_\_\_ % = \_\_\_\_\_

Pool #2 \_\_\_\_\_ x \_\_\_\_\_ x .0003 x \_\_\_\_\_ % = \_\_\_\_\_

3. Spa

*(Number of spas (by size) x therm range = Therms used)*

\_\_\_\_\_ (8' diameter) x 300 Therms = \_\_\_\_\_

\_\_\_\_\_ (10' diameter) x 350 Therms = \_\_\_\_\_

\_\_\_\_\_ (12' diameter) x 400 Therms = \_\_\_\_\_

4. Central Heating

*(BTU rating x average hours of daily use x .0003 = Therms used)*

\_\_\_\_\_ x \_\_\_\_\_ x .0003 = \_\_\_\_\_

5. Other

*(number of gas barbecues, fireplaces, etc.) x 5 = Therms*

\_\_\_\_\_ x 5 = \_\_\_\_\_

**Total Therms**

\_\_\_\_\_

*(therms x rate = monthly charge)*

\_\_\_\_\_ x \_\_\_\_\_ = \$ \_\_\_\_\_

\_\_\_\_\_ x \_\_\_\_\_ = \$ \_\_\_\_\_

\_\_\_\_\_ x \_\_\_\_\_ = \$ \_\_\_\_\_

**Meter Charge** \$ \_\_\_\_\_

**Total Monthly Cost** \$ \_\_\_\_\_

Utility Company Name: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

\* The presumption is a recreation pool with heating equipment will be used all year or 100%. For very hot or cold climates where a heater will not or cannot be used all year, a 70% usage should suffice. Less than 70% usage will require a Special Note in the Subdivision Public Report.

**WATER AND SEWER WORKSHEET**

N/A

A.	Domestic (use only if units are billed through association) (number of units [include rec. rooms] x rate/100 CF x 10 = Water Cost)	<b>Water Cost</b>
	_____ x \$ _____ x 10 = \$ _____	
B.	Irrigation (see Note 1) (landscape area x rate/100 c.f. x .0033 = Water Cost)	
	_____ * _____ x \$ _____ x .0033 x 50% (climate)= \$ _____	
C.	Sewers (see Note 2) (Charge per unit per month x number units = Sewer Cost)	
	\$ _____ x _____ = \$ _____	
	or alternate calculation (% of A and B, etc.)	
	_____ (A) x _____ = \$ _____	
D.	Meter Charge	
	Line Size _____ (2", 3" etc.) Charge Per Month: \$ _____	
	<b>MONTHLY WATER COST:</b> \$ _____	

Utility Company Name: Tahoe Donner P.U.D.

Telephone Number: (530) 587-3896

**Notes**

1 Average usage is four-acre feet of water per acre of landscaping per year. This formula is based on four-acre feet of usage. Some areas like the low desert will require 8 to 12-acre feet of water per acre of landscaping per year and the "B" figure should be adjusted accordingly. (Example: 4 x figure for B = 12-acre feet.)

2 If some other method of billing is used for the sewage charge and/or this will not be a common expense, provide a letter from the sanitation district and/or water company (whichever applicable) which so states.

\* By Lot Owners

**PRORATION SCHEDULE WORKSHEET**

**Section I Variable Assessment Computation**

A. Variable Costs Description		Monthly Cost
1. Insurance - 103A	\$	<u>1,515.75</u>
2. Domestic Gas (if common)	\$	<u>                    </u>
3. Domestic Water (if common)	\$	<u>                    </u>
4. Paint	\$	<u>2,105.83</u>
5. Roof	\$	<u>1,530.33</u>
6. Hot Water Heater (if common)	\$	<u>                    </u>
7. Other	\$	<u>                    </u>
	<b>Total Variable Cost</b>	<u><u>5,151.91</u></u>
B. Total livable square footage of all units from condominium plan:		<u>53,496 s.f.</u>
C. Variable Factor ( <i>variable monthly costs ÷ square footage = variable factor</i> ):		<u>.0963046</u>

Multiply this factor by each unit size below in Section III.

**Section II Equal Assessment Computation**

A. Total Monthly Budget	\$	<u>13,593.00</u>
Less Variable Costs	\$	<u>5,151.91</u>
Total Monthly Equal Costs	\$	<u>8,441.09</u>
B. Monthly Base Assessment:	\$	<u>351.71</u>

*(total monthly cost ÷ number of units = monthly base assessment)*

**Section III Assessment Schedule**

	Unit Size	x	Variable Factor	=	Variable Assessment	+	Base Assessment	=	Total Mth. Assessment	x	Unit Count	=	Total Mth Budget *
AA	<u>2,566</u>	x	<u>.0963046</u>	=	<u>247.12</u>	+	<u>351.71</u>	=	<u>598.83</u>	x	<u>4</u>	=	<u>2,395.32</u>
AB	<u>2,566</u>	x	<u>see above</u>	=	<u>247.12</u>	+	<u>351.71</u>	=	<u>598.83</u>	x	<u>4</u>	=	<u>2,395.32</u>
BA	<u>2,573</u>	x	<u>see above</u>	=	<u>247.79</u>	+	<u>351.71</u>	=	<u>599.50</u>	x	<u>2</u>	=	<u>1,199.00</u>
BB	<u>2,553</u>	x	<u>see above</u>	=	<u>245.87</u>	+	<u>351.71</u>	=	<u>597.58</u>	x	<u>2</u>	=	<u>1,195.16</u>
CA	<u>1,893</u>	x	<u>see above</u>	=	<u>182.30</u>	+	<u>351.71</u>	=	<u>534.01</u>	x	<u>6</u>	=	<u>3,204.06</u>
CB	<u>1,893</u>	x	<u>see above</u>	=	<u>182.30</u>	+	<u>351.71</u>	=	<u>534.01</u>	x	<u>6</u>	=	<u>3,204.06</u>

**VERIFICATION OF COMPUTATIONS**

Total Monthly Budget (Section III)	<u>13,592.92</u>
Total Monthly Budget (Section IIA)	<u>13,593.00</u>

\* Total Assessment x number of units of each type.

**Section IV Variable Assessments**

Highest Assessment	-	Lowest Assessment	÷	Lowest Assessment	=	% Differential
<u>599.50</u>	-	<u>534.01</u>	÷	<u>534.01</u>	=	<u>12.26 %</u>

**RESERVE PRORATION SCHEDULE WORKSHEET**

**Section I Variable Assessment Computation**

A. Variable Costs Description		Monthly Cost
1.	Insurance - 103A	\$ _____
2.	Domestic Gas (if common)	\$ _____
3.	Domestic Water (if common)	\$ _____
4.	Paint	\$ 2,105.83
5.	Roof	\$ 1,530.33
6.	Hot Water Heater (if common)	\$ _____
7.	Other	\$ _____
<b>Total Variable Cost</b>		<u>3,636.16</u>
B. Total livable square footage of all units from condominium plan:		53,496 s.f.
C. Variable Factor ( <i>variable monthly costs ÷ square footage = variable factor</i> ):		<u>.0679707</u>

Multiply this factor by each unit size below in Section III.

**Section II Equal Assessment Computation**

A.	Total Monthly Budget	\$ 5,039.42
	Less Variable Costs	\$ 3,636.16
	Total Monthly Equal Costs	\$ 1,403.26
B.	Monthly Base Assessment:	\$ 58.47

*(total monthly cost ÷ number of units = monthly base assessment)*

**Section III Assessment Schedule**

	Unit Size	x	Variable Factor	=	Variable Assessment	+	Base Assessment	=	Total Mth. Assessment	x	Unit Count	=	Total Mth Budget *
AA	2,566	x	.0679707	=	174.41	+	58.47	=	232.88	x	4	=	931.52
AB	2,566	x	see above	=	174.41	+	58.47	=	232.88	x	4	=	931.52
BA	2,573	x	see above	=	174.89	+	58.47	=	233.36	x	2	=	466.72
BB	2,553	x	see above	=	173.53	+	58.47	=	232.00	x	2	=	464.00
CA	1,893	x	see above	=	128.67	+	58.47	=	187.14	x	6	=	1,122.84
CB	1,893	x	see above	=	128.67	+	58.47	=	187.14	x	6	=	1,122.84

**VERIFICATION OF COMPUTATIONS**

Total Monthly Budget (Section III)	<u>5,039.44</u>
Total Monthly Budget (Section IIA)	<u>5,039.42</u>

\* Total Assessment x number of units of each type.

**Section IV Variable Assessments**

Highest Assessment	-	Lowest Assessment	÷	Lowest Assessment	=	%
<u>233.36</u>	-	<u>187.14</u>	÷	<u>187.14</u>	=	<u>24.70</u> %

**SUPPLEMENTAL WORKSHEET**

**LANDSCAPING**

A. Complete chart and transfer "total landscape cost per year" to line #208 on page 3 (cumulative per phase).

Type	Percent	Area	Annual Cost per S.F.	Total Cost per Type (per year)
Class A/Front & Rear Yards	100%	58,217 s.f.	.25 (seasonal)	14,554.25
Lawn				
Front Yards ( ___ lots x \$ ___/mo.) Or Front Yards (per s.f. per year)				
Open space non-maintained				
Landscape repairs/supplies	--	58,217 s.f.	.025 (seasonal)	1,455.43
Other				
<b>Total</b>	100%	58,217 s.f.		
<b>TOTAL LANDSCAPE COST PER YEAR</b>				16,009.68

B. Please provide information regarding water requirements of drought resistant plants/areas, if any. Indicate as a percentage of normal or standard watering requirements and provide source of information.

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N/A - Refer to Page 8.

**ROOF**

A. If there is only one type of roof, with a slope factor across all roof surfaces, the following chart may not need to be completed. When this chart is completed, transfer total to roof line item on page 5.

Building	Type of Roof	Width of Overhang	Quantity (incl. overhang)	x	Pitch Multiplier	=	Adjusted S.F.	x	Annual Cost per S.F.	=	Total Annual Cost
				x		=		x		=	
				x		=		x		=	
				x		=		x		=	
				x		=		x		=	
<b>TOTAL ROOF COST PER YEAR</b>											

B: If a mansard will be/is constructed please provide the measurements and type of material to be used.

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**BUDGET WORKSHEET**

**THE VILLAGE AT GRAY'S CROSSING  
(MASTER ASSOCIATION - PHASE 4)**

RE 623 (Rev. 4/18)

BUDGET REVIEW

**GENERAL INFORMATION**

This budget is a good faith estimate from plans prior to construction and/or completion (for new projects) or from a combination of plans and/or site inspections (for existing projects). For existing projects, there may have been historical data as support for some line items, but changes to the project may make historical data not applicable or reliable. This budget was prepared for the purpose of obtaining a public report.

The association must adopt a budget in accordance with the California Civil Code. If that budget is less than 10% or greater than 20% from this budget, you should contact the Department of Real Estate. The association may increase or decrease its budget. It is typical for costs to increase as the project ages. The association should conduct a reserve study after its first year of operation to adjust the reserve funding plan for any changes which may have taken place during construction.

DRE FILE NUMBER (IF KNOWN) 166490SA	MASTER DRE FILE # 131316SA	DEPUTY ASSIGNED FILE (IF KNOWN) Gil Hatfield
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**SUBDIVISION IDENTIFICATION AND LOCATION**

NAME AND/OR TRACT NUMBER The Village at Gray's Crossing
--

NAME TO BE USED IN ADVERTISING (IF DIFFERENT THAN NAME OR TRACT NUMBER)

STREET ADDRESS (IF ANY)	CITY Town of Truckee	COUNTY Nevada
MAIN ACCESS ROAD(S) Prosser Dam Road / State Route 89	NEAREST TOWN/CITY N/A	MILES/DIRECTION FROM TOWN/CITY N/A

**TYPE OF SUBDIVISION**

- |   |   |
|---|---|
| <input type="checkbox"/> Condominium                        | <input type="checkbox"/> Planned Development Land Project |
| <input type="checkbox"/> Condominium Conversion             | <input type="checkbox"/> Planned Development Mobile Home  |
| <input type="checkbox"/> Stock Cooperative                  | <input type="checkbox"/> Community Apartment              |
| <input type="checkbox"/> Stock Cooperative Conversion       | <input type="checkbox"/> Out-of-State                     |
| <input type="checkbox"/> Limited Equity Housing Corporation | <input type="checkbox"/> Undivided Interest               |
| <input checked="" type="checkbox"/> Planned Development     | <input type="checkbox"/> Undivided Interest Land Project  |

NUMBER OF LOTS/UNITS 24 Lots - Phase 4 41 Lots - Total	PHASE # 4	TOTAL # IN PROJECT 5±	PREVIOUS DRE FILE # 156213SA - Phase 3	# OF ACRES N/A
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**BUDGET PREPARER**

Name J.O. Hazzard Subdivision Consulting, Inc.	Attention John O. Hazzard	Telephone Number (916) 444-9960
Address P.O. Box 1147	City Elk Grove	Zip Code CA, 95759-1147

**Certification**

*I declare under penalty of perjury that the representations and answers to questions in this document and all documents submitted as a part of the homeowners budget are true and complete to the best of my knowledge and belief. The estimated figures of this Budget are based on circumstances and available data supplied by our client (\*). If there are any changes in such information, documentation or the services required by the Association, such adjustments necessitate revisions to the Budget. The Association may increase or decrease assessments at any time in accordance with the procedure prescribed in the Restrictions or Bylaws. The undersigned accepts no liability for preparation of this Budget in the event a new developer acquires the project. This Pro Forma Operating Budget is viable for a period one year from drafting. The undersigned certifies that this electronic recreation of Department of Real Estate (DRE) form RE 623 contains at least the same information as the DRE form.*

SIGNATURE OF BUDGET PREPARER 	Date 4/13/21
---	--------------



**IMPROVEMENTS WORKSHEET**

\* If this phase will have any line items shown on pages 3, 4 and 5 hereof exempted from payment of assessments under Regulation 2792.16(c), asterisk those items on pages 3, 4 and 5 and list any partially deferred costs on a separate sheet showing calculations and attach. All exempted improvements must be covered by reasonable arrangements for completion. Include Planned Construction Statement (RE 611A) for review.

1. Number of buildings containing residential units . . . . .	N/A
2. Estimated completion date for the residential units included in this phase . . . . .	N/A
3. Estimated completion date for the common area and facilities included in this phase . . . . .	5/2023
4. Type of residential building for this project (i.e., highrise, cluster, garden, etc.) . . . . .	N/A
5. Type of construction for these buildings (i.e., steel, concrete, wood frame, etc.) . . . . .	N/A
6. Type of roof (i.e., shake, etc.) . . . . .	N/A
7. Type of paving used in the project . . . . .	Asphaltic Concrete & Concrete
8. Type of exterior wall for residential buildings. . . . .	N/A
9. Number of residential units per building . . . . .	N/A
10. Number of floors per building . . . . .	N/A
11. Number of bedrooms per unit . . . . .	N/A
12. Square footage of units (list number and size of each unit type) . . . . .	N/A
13. Type of parking facilities and number of spaces (i.e., detached garage, tuck-under, subterranean, carport, open, etc.) . . . . .	open space parking

**Complete 14 and 15 for Phased Condominium Projects Only**

14. Have you submitted budgets for all phases to be completed within the next three calendar years and a built-out budget? . . . . .  Yes  No
15. If this condominium project involves phasing with a single lot, submit a budget for *each* phase plus a budget which will be used *if* future phases are not completed. (Commonly referred to as a *worst case budget*.)

THE VILLAGE AT GRAY'S CROSSING  
(MASTER ASSOCIATION - PHASE 4)

RE 623 ID #6230200B010

Page 3 of 15

**BUDGET SUMMARY**

PHASE NUMBER <b>4</b>	DATE OF BUDGET 4/13/21 Revised 2/3/23	DRE FILE NUMBER 166490SA
NUMBER OF UNITS 41 Lots	TRACT NUMBER/NAME OF PROJECT The Village at Gray's Crossing	

41 Lots	Per Unit Per Month	Total Monthly	Total Annual
<b>100 FIXED COSTS</b>			
101. Property Taxes			
102. Corporation Franchise Taxes	0.10	4.17	50.00
103. Insurance	13.92	570.83	6,850.00
104. Local License & Inspection Fees			
105. Estimated Income Taxes	1.73	70.83	850.00
<b>100 - Sub Total</b>	<b>15.75</b>	<b>645.83</b>	<b>7,750.00</b>
<b>200 OPERATING COSTS</b>			
201. Electricity (attach work sheet)	4.27	175.05	2,101.00
Lighting: Leased			
202. Gas (attach work sheet)			
203. Water (attach work sheet)	9.13	374.48	4,494.00
204. Sewer/Septic Tanks (include if not in 203)			
205. Cable TV/Master Antenna			
207. Custodial Area <i>Number of Restrooms:</i>			
208. Landscape Area (See Page 15.)	18.02	739.00	8,868.00
208A Landscape Supplies	1.19	48.75	585.00
209. Refuse Disposal (incl. in 208)			
210. Elevators Number:    Type:			
211. Private Streets, Driveways, Parking Areas Area: 121,564 s.f.	3.66	150.00	1,800.00
212. Heating & Air Conditioning Maintenance Area:			
213. Swimming Pool <i>Number:        Size:        Mths. heated:</i>  Spa <i>Number:        Size:</i>			
214. Tennis Court <i>Number:</i>			
215. Access Control <i>Guard Hours Per Day:</i> <i>No. of Motorized Gates:    Type:</i> <i>No. of Intercoms/Telephone Entry:</i>			

THE VILLAGE AT GRAY'S CROSSING  
(MASTER ASSOCIATION - PHASE 4)

RE 623 ID #6230200B010

41 Lots	Per Unit Per Month	Total Monthly	Total Annual
216. Reserve Study (1/3rd of 3 year total)	3.05	125.00	1,500.00
<b>217. Miscellaneous</b>			
A. Minor Repairs, R & M Labor/Materials	6.25	256.25	3,075.00
B. Pest Control (common area only)	2.00	82.00	984.00
C. Snow Removal (107,458 s.f. s.f. @ \$.25 + 25%)	68.25	2,798.42	33,581.00
D. Retention Ponds/BMP's	6.10	250.00	3,000.00
E. Transportation/Maintenance Inspections			
218. Fire Sprinklers, Fire Alarms & Fire Extinguishers			
<b>200 - Sub Total</b>	121.92	4,998.95	59,988.00
<b>300 RESERVES</b>			
301 - 313 (attach reserve worksheet)	65.25	2,675.08	32,101.00
<b>300 - Sub Total</b>	65.25	2,675.08	32,101.00
<b>400 ADMINISTRATION</b>			
401. Management *	22.00	902.00	10,824.00
402. Legal Services	4.17	170.83	2,050.00
403. Accounting	10.67	437.50	5,250.00
404. Education #, Board Expenses	2.00	82.00	984.00
405. Misc., Office Exp., Bank Fees, Postage	5.00	205.00	2,460.00
<b>400 - Sub Total</b>	43.84	1,797.33	21,568.00
<b>TOTAL (100 - 400)</b>	231.01	9,471.36	113,657.00
<b>500 CONTINGENCY</b>			
501. New Construction 5%	11.59	473.64	5,683.00
502. Conversions 6%			
503. Revenue Offsets (attach documentation)			
<b>TOTAL BUDGET</b>	242.60	9,945.00	119,340.00

† DRE regulations allow the use of variable assessments against units only if one unit will derive as much as 10 percent more than another unit in the value of common goods and services supplied by the association.

After determining the percent of benefit derived from services provided (page 14) by the association, an easy chart to follow would be:

Less than 10% .....	equal assessments
from 10% to 20% .....	variable or equal
Over 20% .....	variable assessments

The budget and management documents indicate (check appropriate box):

- equal assessments
- variable assessments

† The inventory and quantities used in the preparation of this budget are normally derived from plans completed prior to construction and may vary slightly from actual field conditions. The calculated budget is a good faith estimate of the projected costs and should be deemed reliable for no more than one year. The Board of Directors should conduct an annual review of the Association's actual costs and revise the budget accordingly.

\* Depending upon the level of service selected by the Association, the amount shown may be insufficient to cover the cost and may be higher.

# Educational seminars to be attended by board members is anticipated not to exceed \$500 annually.

**THE VILLAGE AT GRAY'S CROSSING  
(MASTER ASSOCIATION - PHASE 4)**

RE 623 ID #6230200B010

Page 5 of 15

**RESERVES WORKSHEET**

DRE FILE NUMBER 166490SA	NUMBER OF UNITS 41 Lots			TRACT NUMBER The Village at Gray's Crossing		
Item	(1)* Sq. Ft. or Number	(2)* Unit Cost HOA Manual	(3)* Replacement Cost	(4)* Remaining Life	Yearly Reserve Columns 1x2 or 3÷4	Cost Per Unit Per Month
Paint						
Wood Siding (paint/stain)						
Roof - Type:						
Roof - Type:						
Water Heaters						
Street/Site Lights						
Carpets/Hard Floors - Type:						
Elevators						
Streets & Drives	107,458 s.f.	.20			21,491.60	43.68
Concrete Walks	12,606 s.f.	.05			630.30	1.28
Bike Path	1,500 s.f.	.20			300.00	0.61
Pool Re-plaster						
Pool Heater						
Pool Filter						
Spa Re-plaster						
Spa Heater						
Spa Filter						
Pool/Spa Pumps - No:						
Tennis Courts - No:						
Furnishing/Equipment						
Fences (paint/stain)	640 s.f.	.50			320.00	0.65
Fences (repair/replace) - Type: 2-Rail	80 l.f.	2.00			160.00	0.33
Walls (paint)						
Walls (repair/replace)						
Wrought Iron Fencing (paint)						
Bike Rack	2 ea.		1,000.00	10	100.00	0.20
Dike/V-Ditch	Lump Sum				500.00	1.02
BMP's	4 ea.	400.00			1,600.00	3.25
Benches	6 ea.		3,000.00	6	500.00	1.02
Project Entry Sign			20,000.00	10	2,000.00	4.07
Landscape	31,617 s.f.	.05			1,580.85	3.21
Sub-Total					29,182.75	59.32
Unallocated Reserves					2,918.28	5.93
<b>TOTAL RESERVE</b>					<b>32,101.03</b>	<b>65.25</b>

\* Use either Columns 1 and 2 or 3 and 4, but not both for a particular item.

**Note: For space purposes, we have included only the components most frequently found in common-interest subdivisions. Reserve items should not be limited to the list above, but be tailored to your particular project.**

**GENERAL PROJECT INVENTORY**

- \* Complete schedules 1 through 6 below, then transfer the totals to Site Summary area.
- \* Frequently several buildings will be repeated in a subdivision. These may be combined on one line. Wherever additional space is required attach computations on a separate sheet.

<b>SITE SUMMARY - TOTAL SUBDIVISION AREA</b>			
	N/A	acres x 43,560 =	_____ Total square feet
1.	Building(s) footprint	_____	sq. ft.
2.	Garages or carports	_____	sq. ft.
3.	Recreation facilities	_____	sq. ft.
4.	Paved surfaces	121,564	sq. ft.
5.	Restricted common areas	_____	sq. ft.
6.	Other: (attach description)	_____	sq. ft.
Sub Total (1-6)		N/A	sq. ft.
<b>Total Square Ft. (from above)</b>		N/A	sq. ft.
<b>Subtract Sub Total (1-6)</b>		N/A	sq. ft.
<i>Remainder = native area</i>		120,703	sq. ft.
<i>Remainder = landscape area</i>		31,617	sq. ft.

**INDIVIDUAL SUMMARY SCHEDULES**

**1. Buildings Containing Units**

Length	x	Width	=	Area of Each Bldg.	x	No. of Buildings	=	Total Area Square Feet
_____	x	_____	=	_____	x	_____	=	_____
_____	x	_____	=	_____	x	_____	=	_____
_____	x	_____	=	_____	x	_____	=	_____
<b>Total for Summary Item 1 above</b>								_____

**2. Multiple Detached Garages and Carports**

_____	x	_____	=	_____	x	_____	=	_____
_____	x	_____	=	_____	x	_____	=	_____
_____	x	_____	=	_____	x	_____	=	_____
<b>Total for Summary Item 2 above</b>								_____

	Total Area
<b>3. Recreational Facilities</b>	
a. Recreation Room, Clubhouse, Lanai, or other (length x width = total sq. ft.)	
_____ x _____ = _____	_____ sq. ft.
b. Pools	
Number: _____	
Size: _____	_____ sq. ft.
c. Spas	
Number: _____	
Size: _____	_____ sq. ft.
d. Tennis Courts	
Number: _____	
Size: _____	
Surface Type: _____	_____ sq. ft.
e. Other: (Describe)	
_____	_____ sq. ft.
<b>Total for Summary Item 3 above</b>	_____ sq. ft.

<b>4. Paved Areas (streets, parking, walkways, etc.)</b> (length x width = square foot area)	<i>Paving Material (concrete, asphalt, etc.)</i>
_____ x _____ = 107,458	Asphalt Street
_____ x _____ = 12,606	Concrete Curb/Gutter/Walks
_____ x _____ = 1,500	Asphalt Bike Path
_____ x _____ = _____	_____
<b>Total for Summary Item 4 above</b>	121,564 sq. ft.

**5. Restricted Common Areas Use (patio, etc.)**  
Describe and attach calculations

---

**Total for Summary Item 5 above** \_\_\_\_\_ sq. ft.

**6. Other - Describe and attach calculations**

---

**Total for Summary Item 6 above** \_\_\_\_\_ sq. ft.

**ROOF RESERVE WORKSHEET**

N/A  
(See page 15.)

Building*	Flat Roofed Area	Shingled Area	Cement/Spanish Tile or Wood Shake Area
<b>Totals</b>			
<b>Modifications</b>		x      x	x      x
<b>Grand Totals</b>			

Pitch	Rise	Multiplier
One eighths	3" in 12"	1.03
One sixth	4" in 12"	1.06
Five 24ths	5" in 12"	1.08
One quarter	6" in 12"	1.12
One third	8" in 12"	1.20
One half	12" in 12"	1.42
Five eighths	15" in 12"	1.60
Three quarters	18" in 12"	1.80

\* Take areas of all buildings listed in Sections 1, 2 and 3a. Add 6% (a 1.06 multiplier) for each foot of roof overhang. In addition, adjust for roof pitch based upon the table below. The table converts horizontal area to roof area.

**PAINTING WORKSHEET**

**EXTERIOR**

Exterior painting area is determined by measuring the structure to find the perimeter (total distance around) and multiplying that by 10 for each story. Use a separate line for each story if the configuration of the building changes from story to story (for wood siding see Item 301 in the Cost Manual).

- Buildings (include garages, recreation buildings)

Type of Surface	Perimeter	x 10 ft.	x	No. of Stories	x	No of Bldg. (if identical)	=	Total Area
_____	_____	x 10 ft.	x	_____	x	_____	=	_____
_____	_____	x 10 ft.	x	_____	x	_____	=	_____
_____	_____	x 10 ft.	x	_____	x	_____	=	_____
_____	_____	x 10 ft.	x	_____	x	_____	=	_____
<b>Total building paint area</b>								_____

- Walls

Linear Feet	x	Height	x 2 *	=	Total Area
_____	x	_____	x 2	=	_____
_____	x	_____	x 2	=	_____
_____	x	_____	x 2	=	_____
<b>Total wall paint area</b>					_____
<b>Total Exterior Paint Area</b>					_____

**INTERIOR**

Interior painting reserve is determined by measuring the room perimeter and multiplying by 8' and adding ceiling area.

Room/Type	Walls	x 8 ft.	=	Wall Area	+	Ceiling (Length x Width)	=	Total Area
Descrip.	Perimeter							
_____	_____	x 8 ft.	=	_____	+	_____ x _____	=	_____
_____	_____	x 8 ft.	=	_____	+	_____ x _____	=	_____
_____	_____	x 8 ft.	=	_____	+	_____ x _____	=	_____
_____	_____	x 8 ft.	=	_____	+	_____ x _____	=	_____
<b>Total Interior Paint Area</b>								_____

**TOTAL EXTERIOR AND INTERIOR**

**FENCES**

Fence requiring paint or stain (see Item 312 in manual for wood and wrought iron). Compute separately using higher cost-put on separate line on page 5 of the Reserve Worksheet.

Linear Feet	x	Height	x 2*	=	Total Area
80	x	4	x 2	=	640 2-rail
_____	x	_____	x 2	=	_____
_____	x	_____	x 2	=	_____
<b>Total fence area</b>					640

\* Always multiply by 2 to cover the area for both sides of the wall or fence. If the wall or fence will be painted or stained on one side only, adjust your calculation and make appropriate notation on the worksheet.



**ELECTRICAL ENERGY CONSUMPTION WORKSHEET**

						<b>KWH per month</b>
<b>A. Lights (see Note 1)</b>						
<i>(number of lights x average watt per light</i>						
<i>x average number hours in use per day x .03 = KWH per month)</i>						
1. Interior Lights (hallways, lobbies, garage, stairwells, etc.)	_____	x	_____	x	_____	x .03 = _____
2. Garage Lights	_____	x	_____	x	_____	x .03 = _____
3. Irrigation Controller	3	x	15	x	24	x .03 = 32.40
4. Street Lights	_____	x	_____	x	_____	x .03 = _____
<b>B. Elevators (number of cabs x number of floor stops per cab x 167 KWH=KWH/month)</b>						
	_____	x	_____	x	167 KWH	= _____
<b>C. Tennis Court Lights (number of courts x 1000 KWH = KWH per month)</b>						
	_____	x	1000 KWH			= _____
<b>D. Electric Heating</b>						
<i>(0.25 KWH x sq. ft. heated = KWH per month for warm climates)</i>						
<i>(0.65 KWH x sq. ft. heated = KWH per month for cold climates)</i>						
	_____	x	_____			= _____
<b>E. Hot Water Heating (320 KWH x number of 40 gallon tanks = KWH per month)</b>						
	320 KWH	x	_____			= _____
<b>F. Air Conditioning (number of sq. ft. cooled x .34 KWH = KWH per month)</b>						
	_____	x	.34 KWH			= _____
<b>G. Electrical Motors (see Notes 2 and 3)</b>						
<i>(horsepower x watts x hours of use/ day x .03 x % of year in use=KWH/month)</i>						
Motor #1	.5	x	1100	x	4	x .03 x 400% = 264.00 BMP's circ.
Motor #2	_____	x	_____	x	_____	x .03 x ___00% = _____
Motor #3	_____	x	_____	x	_____	x .03 x ___00% = _____
Motor #4	_____	x	_____	x	_____	x .03 x ___00% = _____
<b>H. Pool/Spa Heating</b>						
<i>(Number of heaters x KWH rating x hours of daily use x 30 days = KWH per month)</i>						
	_____	x	_____	x	_____	x 30 days = _____
					Misc./Contingency	500.00
<b>TOTAL KWH PER MONTH</b>						<b>796.40</b>

I. Total Monthly Cost

*(total KWH per month x rate per KWH = total cost)*

•	<u>796.40</u>	x	\$	<u>.1855</u>	=	\$	<u>147.73</u>
•	Monthly common meter charge					\$	<u>27.32</u>
				Total Monthly Cost		\$	<u>175.05</u>

Utility Company Name: Tahoe Donner P.U.D.

Telephone Number: (530) 587-3896

**Notes**

- 1 Do not include leased lights. Instead use lease agreement with rate schedule with budget work sheet. Put monthly charge into Item 201 leased lights. Use a minimum of 10 hours per day average usage for exterior lighting.
- 2 Motors are found in swimming pool pumping systems, circulating hot water systems, ventilation systems in subterranean garages, security gates, interior hallways, and interior stairwells and also in private water systems and fountains. (Hours of use for pool pumps - see Item 201 in the Cost Manual.)
- 3 Normally 1,000 watts per horsepower should be used. Check plate on motor or manufacturer's specifications. If wattage is not listed, it can be calculated by multiplying amps x volts.

**GAS CONSUMPTION WORKSHEET**

N/A

**Therms**

1. Water Heaters

(number of dwelling units on association meters + laundry rooms + outdoor showers + recreation rooms = number units x 20 Therms = Therms per month)

\_\_\_\_\_ + \_\_\_\_\_ + \_\_\_\_\_ + \_\_\_\_\_ = \_\_\_\_\_ x 20 Therms = \_\_\_\_\_

2. Pool (see Note\*)

(BTU rating x hours of daily use x .0003 x % of year in use = Therms)

Pool #1 \_\_\_\_\_ x \_\_\_\_\_ x .0003 x \_\_\_\_\_ % = \_\_\_\_\_

Pool #2 \_\_\_\_\_ x \_\_\_\_\_ x .0003 x \_\_\_\_\_ % = \_\_\_\_\_

3. Spa

(Number of spas (by size) x therm range = Therms used)

\_\_\_\_\_ (8' diameter) x 300 Therms = \_\_\_\_\_

\_\_\_\_\_ (10' diameter) x 350 Therms = \_\_\_\_\_

\_\_\_\_\_ (12' diameter) x 400 Therms = \_\_\_\_\_

4. Central Heating

(BTU rating x average hours of daily use x .0003 = Therms used)

\_\_\_\_\_ x \_\_\_\_\_ x .0003 = \_\_\_\_\_

5. Other

(number of gas barbecues, fireplaces, etc.) x 5 = Therms

\_\_\_\_\_ x 5 = \_\_\_\_\_

**Total Therms**

\_\_\_\_\_

(therms x rate = monthly charge)

\_\_\_\_\_ x \_\_\_\_\_ = \$ \_\_\_\_\_

\_\_\_\_\_ x \_\_\_\_\_ = \$ \_\_\_\_\_

**Meter Charge** \$ \_\_\_\_\_

**Total Monthly Cost** \$ \_\_\_\_\_

Utility Company Name: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

\* The presumption is a recreation pool with heating equipment will be used all year or 100%. For very hot or cold climates where a heater will not or cannot be used all year, a 70% usage should suffice. Less than 70% usage will require a Special Note in the Subdivision Public Report.

**WATER AND SEWER WORKSHEET**

<b>A.</b>	<b>Domestic</b> <i>(use only if units are billed through association)</i> <i>(number of units [include rec. rooms] x rate/100 CF x 10 = Water Cost)</i>	<b>Water Cost</b>
	_____ x \$ _____	= \$ _____
<b>B.</b>	<b>Irrigation</b> (see Note 1) <i>(landscape area x rate/100 c.f. x .0033 = Water Cost)</i>	
	31,617 s.f. x \$ 1.37/1,000 gallons x .0033	= \$ 109.55
<b>C.</b>	<b>Sewers</b> (see Note 2) <i>(Charge per unit per month x number units = Sewer Cost)</i>	
	\$ _____ x _____	= \$ _____
	or alternate calculation (% of A and B, etc.)	
	_____ (A) x _____	= \$ _____
<b>D.</b>	<b>Meter Charge</b>	
	Line Size      1" irrigation      (2", 3" etc.)      Charge Per Month:	\$ 90.34
	Line Size      fire line      (2", 3" etc.)      Charge Per Month:	\$ 174.59
	<b>TOTAL MONTHLY COST:</b>	\$ 374.48
	<b>MONTHLY WATER COST:</b>	\$ 374.48
	<b>MONTHLY SEWER COST:</b>	\$ _____

Utility Company Name: Tahoe Donner P.U.D. / Truckee Sanitary District  
 Telephone Number: (530) 587-3896 / (530) 587-3804

**Notes**

1 Average usage is four-acre feet of water per acre of landscaping per year. This formula is based on four-acre feet of usage. Some areas like the low desert will require 8 to 12-acre feet of water per acre of landscaping per year and the "B" figure should be adjusted accordingly. (Example: 4 x figure for B = 12-acre feet.)

2 If some other method of billing is used for the sewage charge and/or this will not be a common expense, provide a letter from the sanitation district and/or water company (whichever applicable) which so states.

**PRORATION SCHEDULE WORKSHEET**  
N/A

**Section I Variable Assessment Computation**

A. Variable Costs Description		Monthly Cost
1.	Insurance	\$ _____
2.	Domestic Gas (if common)	\$ _____
3.	Domestic Water (if common)	\$ _____
4.	Paint	\$ _____
5.	Roof	\$ _____
6.	Hot Water Heater (if common)	\$ _____
7.	Other	\$ _____
<b>Total Variable Cost</b>		_____

B. Total livable square footage of all units from condominium plan: \_\_\_\_\_

C. Variable Factor (*variable monthly costs ÷ square footage = variable factor*): \_\_\_\_\_

Multiply this factor by each unit size below in Section III.

**Section II Equal Assessment Computation**

A.	Total Monthly Budget	\$ _____
	Less Variable Costs	\$ _____
	Total Monthly Equal Costs	\$ _____
B.	Monthly Base Assessment:	\$ _____

*(total monthly cost ÷ number of units = monthly base assessment)*

**Section III Assessment Schedule**

Unit Size	x	Variable Factor	=	Variable Assessment	+	Base Assessment	=	Total Mth. Assessment	x	Unit Count	=	Total Mth. Budget *	
A.	_____	x	_____	=	_____	+	_____	=	_____	x	_____	=	_____
B.	_____	x	_____	=	_____	+	_____	=	_____	x	_____	=	_____
C.	_____	x	_____	=	_____	+	_____	=	_____	x	_____	=	_____
D.	_____	x	_____	=	_____	+	_____	=	_____	x	_____	=	_____
E.	_____	x	_____	=	_____	+	_____	=	_____	x	_____	=	_____

**VERIFICATION OF COMPUTATIONS**

Total Monthly Budget (Section III) \_\_\_\_\_

Total Monthly Budget (Section IIA) \_\_\_\_\_

\* Total Assessment x number of units of each type.

**Section IV Variable Assessments**

Highest Assessment	-	Lowest Assessment	÷	Lowest Assessment	=	% Differential
_____	-	_____	÷	_____	=	_____ %

**SUPPLEMENTAL WORKSHEET**

**LANDSCAPING**

A. Complete chart and transfer "total landscape cost per year" to line #208 on page 3 (cumulative per phase).

Type	Percent	Area	Annual Cost per S.F.	Total Cost per Type
Open Space - Native Forest	83.76%	120,703 s.f.	.025 seasonal	3,017.58
Class C - Seasonal Landscape	16.24%	23,400 s.f.	.25 (seasonal)	5,850.00
Front Yards ( ___ lots x \$ ___/mo.) Or Front Yards (per s.f. per year)				
Open space non-maintained				
Landscape repairs/supplies	--	23,400 s.f.	.025 (seasonal)	585.00
Other				
<b>Total</b>	100%	144,103 s.f.		
<b>TOTAL LANDSCAPE COST PER YEAR</b>				9,452.58

B. Please provide information regarding water requirements of drought resistant plants/areas, if any. Indicate as a percentage of normal or standard watering requirements and provide source of information.

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**ROOF**

N/A

A. If there is only one type of roof, with a slope factor across all roof surfaces, the following chart may not need to be completed. When this chart is completed, transfer total to roof line item on page 5.

Building	Type of Roof	Width of Overhang	Quantity (incl. overhang)	x	Pitch Multiplier	=	Adjusted S.F.	x	Annual Cost per S.F.	=	Total Annual Cost
				x		=		x		=	
				x		=		x		=	
				x		=		x		=	
				x		=		x		=	
				x		=		x		=	
				x		=		x		=	
<b>TOTAL ROOF COST PER YEAR</b>											

B: If a mansard will be/is constructed please provide the measurements and type of material to be used.

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**BUDGET WORKSHEET**

**THE VILLAGE AT GRAY'S CROSSING  
(MASTER ASSOCIATION - BUILT-OUT)**

RE 623 (Rev. 4/18)

BUDGET REVIEW

**GENERAL INFORMATION**

This budget is a good faith estimate from plans prior to construction and/or completion (for new projects) or from a combination of plans and/or site inspections (for existing projects). For existing projects, there may have been historical data as support for some line items, but changes to the project may make historical data not applicable or reliable. This budget was prepared for the purpose of obtaining a public report.

The association must adopt a budget in accordance with the California Civil Code. If that budget is less than 10% or greater than 20% from this budget, you should contact the Department of Real Estate. The association may increase or decrease its budget. It is typical for costs to increase as the project ages. The association should conduct a reserve study after its first year of operation to adjust the reserve funding plan for any changes which may have taken place during construction.

DRE FILE NUMBER (IF KNOWN)	MASTER DRE FILE # 131316SA	DEPUTY ASSIGNED FILE (IF KNOWN)
----------------------------	-------------------------------	---------------------------------

**SUBDIVISION IDENTIFICATION AND LOCATION**

NAME AND/OR TRACT NUMBER The Village at Gray's Crossing
NAME TO BE USED IN ADVERTISING (IF DIFFERENT THAN NAME OR TRACT NUMBER)

STREET ADDRESS (IF ANY)	CITY Town of Truckee	COUNTY Nevada
MAIN ACCESS ROAD(S) Prosser Dam Road / State Route 89	NEAREST TOWN/CITY N/A	MILES/DIRECTION FROM TOWN/CITY N/A

**TYPE OF SUBDIVISION**

- |   |   |
|---|---|
| <input type="checkbox"/> Condominium                        | <input type="checkbox"/> Planned Development Land Project |
| <input type="checkbox"/> Condominium Conversion             | <input type="checkbox"/> Planned Development Mobile Home  |
| <input type="checkbox"/> Stock Cooperative                  | <input type="checkbox"/> Community Apartment              |
| <input type="checkbox"/> Stock Cooperative Conversion       | <input type="checkbox"/> Out-of-State                     |
| <input type="checkbox"/> Limited Equity Housing Corporation | <input type="checkbox"/> Undivided Interest               |
| <input checked="" type="checkbox"/> Planned Development     | <input type="checkbox"/> Undivided Interest Land Project  |

NUMBER OF LOTS/UNITS 108 Lots/Units-Total	PHASE # Built-Out	TOTAL # IN PROJECT Multiple	PREVIOUS DRE FILE #	# OF ACRES N/A
--	----------------------	--------------------------------	---------------------	-------------------

**BUDGET PREPARER**

Name J.O. Hazzard Subdivision Consulting, Inc.	Attention John O. Hazzard	Telephone Number (916) 444-9960
Address P.O. Box 1147	City Elk Grove	Zip Code CA, 95759-1147

**Certification**

*I declare under penalty of perjury that the representations and answers to questions in this document and all documents submitted as a part of the homeowners budget are true and complete to the best of my knowledge and belief. The estimated figures of this Budget are based on circumstances and available data supplied by our client (\*). If there are any changes in such information, documentation or the services required by the Association, such adjustments necessitate revisions to the Budget. The Association may increase or decrease assessments at any time in accordance with the procedure prescribed in the Restrictions or Bylaws. The undersigned accepts no liability for preparation of this Budget in the event a new developer acquires the project. This Pro Forma Operating Budget is viable for a period one year from drafting. The undersigned certifies that this electronic recreation of Department of Real Estate (DRE) form RE 623 contains at least the same information as the DRE form.*

SIGNATURE OF BUDGET PREPARER 	Date 2/7/08 Revised 11/18/08, 12/23/08, 5/12/10 & 5/21/15 Revised 4/13/21 & 2/3/23
---	---

**IMPROVEMENTS WORKSHEET**

\* If this phase will have any line items shown on pages 3, 4 and 5 hereof exempted from payment of assessments under Regulation 2792.16(c), asterisk those items on pages 3, 4 and 5 and list any partially deferred costs on a separate sheet showing calculations and attach. All exempted improvements must be covered by reasonable arrangements for completion. Include Planned Construction Statement (RE 611A) for review.

1. Number of buildings containing residential units . . . . .	N/A
2. Estimated completion date for the residential units included in this phase . . . . .	N/A
3. Estimated completion date for the common area and facilities included in this phase . . . . .	12/2025
4. Type of residential building for this project (i.e., highrise, cluster, garden, etc.) . . . . .	N/A
5. Type of construction for these buildings (i.e., steel, concrete, wood frame, etc.) . . . . .	N/A
6. Type of roof (i.e., shake, etc.) . . . . .	N/A
7. Type of paving used in the project . . . . .	Asphaltic Concrete & Concrete
8. Type of exterior wall for residential buildings. . . . .	N/A
9. Number of residential units per building . . . . .	N/A
10. Number of floors per building . . . . .	N/A
11. Number of bedrooms per unit . . . . .	N/A
12. Square footage of units (list number and size of each unit type) . . . . .	N/A
13. Type of parking facilities and number of spaces (i.e., detached garage, tuck-under, subterranean, carport, open, etc.) . . . . .	open space parking

**Complete 14 and 15 for Phased Condominium Projects Only**

14. Have you submitted budgets for all phases to be completed within the next three calendar years and a built-out budget? . . . . .  Yes  No
15. If this condominium project involves phasing with a single lot, submit a budget for *each* phase plus a budget which will be used *if* future phases are not completed. (Commonly referred to as a *worst case budget*.)



THE VILLAGE AT GRAY'S CROSSING  
(MASTER ASSOCIATION - BUILT-OUT)

RE 623 ID #6230200B010

Page 3 of 15

**BUDGET SUMMARY**

PHASE NUMBER	DATE OF BUDGET	DRE FILE NUMBER	
Built-Out	2/7/08 Revised 2/3/23		
NUMBER OF UNITS	TRACT NUMBER/NAME OF PROJECT		
108 Lots/Units	The Village at Gray's Crossing		
108 Lots/Units	Per Unit Per Month	Total Monthly	Total Annual
<b>100 FIXED COSTS</b>			
101. Property Taxes			
102. Corporation Franchise Taxes	0.04	4.17	50.00
103. Insurance	5.29	570.83	6,850.00
104. Local License & Inspection Fees			
105. Estimated Income Taxes	0.66	70.83	850.00
<b>100 - Sub Total</b>	<b>5.99</b>	<b>645.83</b>	<b>7,750.00</b>
<b>200 OPERATING COSTS</b>			
201. Electricity (attach work sheet)	1.62	175.05	2,101.00
Lighting: Leased			
202. Gas (attach work sheet)			
203. Water (attach work sheet)	3.47	374.48	4,494.00
204. Sewer/Septic Tanks (include if not in 203)			
205. Cable TV/Master Antenna			
207. Custodial Area <i>Number of Restrooms:</i>			
208. Landscape Area (See Page 15.)	6.84	739.00	8,868.00
208A Landscape Supplies	0.45	48.75	585.00
209. Refuse Disposal (incl. in 208)			
210. Elevators Number:   Type:			
211. Private Streets, Driveways, Parking Areas Area: 121,564 s.f.	1.39	150.00	1,800.00
212. Heating & Air Conditioning Maintenance Area:			
213. Swimming Pool <i>Number:       Size:       Mths. heated:</i> Spa <i>Number:       Size:</i>			
214. Tennis Court <i>Number:</i>			
215. Access Control <i>Guard Hours Per Day:</i> <i>No. of Motorized Gates:   Type:</i> <i>No. of Intercoms/Telephone Entry:</i>			

THE VILLAGE AT GRAY'S CROSSING  
(MASTER ASSOCIATION - BUILT-OUT)

108 Lots/Units	Per Unit Per Month	Total Monthly	Total Annual
216. Reserve Study (1/3rd of 3 year total)	1.16	125.00	1,500.00
<b>217. Miscellaneous</b>			
A. Minor Repairs, R & M Labor/Materials	6.25	675.00	8,100.00
B. Pest Control (common area only)	2.00	216.00	2,592.00
C. Snow Removal (107,458 s.f. s.f. @ \$.25 + 25%)	25.91	2,798.42	33,581.00
D. Retention Ponds/BMP's	2.31	250.00	3,000.00
E. Transportation/Maintenance Inspections	27.01	2,916.67	35,000.00
218. Fire Sprinklers, Fire Alarms & Fire Extinguishers			
<b>200 - Sub Total</b>	78.41	8,468.37	101,621.00
<b>300 RESERVES</b>			
301 - 313 (attach reserve worksheet)	27.00	2,918.25	35,019.00
<b>300 - Sub Total</b>	27.00	2,918.25	35,019.00
<b>400 ADMINISTRATION</b>			
401. Management *	22.00	2,376.00	28,512.00
402. Legal Services	4.17	450.00	5,400.00
403. Accounting	4.05	437.50	5,250.00
404. Education #, Board Expenses	2.00	216.00	2,592.00
405. Misc., Office Exp., Bank Fees, Postage	5.00	540.00	6,480.00
<b>400 - Sub Total</b>	37.22	4,019.50	48,234.00
<b>TOTAL (100 - 400)</b>	142.63	15,406.12	184,874.00
<b>500 CONTINGENCY</b>			
501. New Construction 5%	7.17	769.88	9,244.00
502. Conversions 6%			
503. Revenue Offsets (attach documentation)			
<b>TOTAL BUDGET</b>	149.80	16,176.00	194,118.00

† DRE regulations allow the use of variable assessments against units only if one unit will derive as much as 10 percent more than another unit in the value of common goods and services supplied by the association.

After determining the percent of benefit derived from services provided (page 14) by the association, an easy chart to follow would be:

- |                       |                      |
|-----------------------|----------------------|
| Less than 10% .....   | equal assessments    |
| from 10% to 20% ..... | variable or equal    |
| Over 20% .....        | variable assessments |

The budget and management documents indicate (check appropriate box):

- equal assessments
- variable assessments

† The inventory and quantities used in the preparation of this budget are normally derived from plans completed prior to construction and may vary slightly from actual field conditions. The calculated budget is a good faith estimate of the projected costs and should be deemed reliable for no more than one year. The Board of Directors should conduct an annual review of the Association's actual costs and revise the budget accordingly.

\* Depending upon the level of service selected by the Association, the amount shown may be insufficient to cover the cost and may be higher.

# Educational seminars to be attended by board members is anticipated not to exceed \$500 annually.

THE VILLAGE AT GRAY'S CROSSING  
(MASTER ASSOCIATION - BUILT-OUT)

RE 623 ID #6230200B010

Page 5 of 15

RESERVES WORKSHEET

DRE FILE NUMBER	NUMBER OF UNITS 108 Lots/Units			TRACT NUMBER The Village at Gray's Crossing		
	(1)* Sq. Ft. or Number	(2)* Unit Cost HOA Manual	(3)* Replacement Cost	(4)* Remaining Life	Yearly Reserve Columns 1x2 or 3÷4	Cost Per Unit Per Month
Paint						
Wood Siding (paint/stain)						
Roof - Type:						
Roof - Type:						
Water Heaters						
Street/Site Lights						
Carpets/Hard Floors - Type:						
Elevators						
Streets & Drives	107,458 s.f.	.20			21,491.60	16.58
Concrete Walks	12,606 s.f.	.05			630.30	0.49
Bike Path	1,500 s.f.	.20			300.00	0.23
Pool Re-plaster						
Pool Heater						
Pool Filter						
Spa Re-plaster						
Spa Heater						
Spa Filter						
Pool/Spa Pumps - No:						
Tennis Courts - No:						
Furnishing/Equipment						
Fences (paint/stain)	640 s.f.	.50			320.00	0.25
Fences (repair/replace) - Type: 2-Rail	80 l.f.	2.00			160.00	0.12
Walls (paint)						
Walls (repair/replace)						
Wrought Iron Fencing (paint)						
Bike Rack	2 ea.		1,000.00	10	100.00	0.08
Dike/V-Ditch	Lump Sum				500.00	0.39
BMP's	4 ea.	400.00			1,600.00	1.23
Benches	6 ea.		3,000.00	6	500.00	0.39
Project Entry Sign			20,000.00	10	2,000.00	1.54
Landscape	31,617 s.f.	.05			1,580.85	1.22
Sub-Total					29,182.75	22.52
Unallocated Reserves					5,836.55	4.48
<b>TOTAL RESERVE</b>					<b>35,019.30</b>	<b>27.00</b>

\* Use either Columns 1 and 2 or 3 and 4, but not both for a particular item.

Note: For space purposes, we have included only the components most frequently found in common-interest subdivisions. Reserve items should not be limited to the list above, but be tailored to your particular project.

**GENERAL PROJECT INVENTORY**

- \* Complete schedules 1 through 6 below, then transfer the totals to Site Summary area.
- \* Frequently several buildings will be repeated in a subdivision. These may be combined on one line. Wherever additional space is required attach computations on a separate sheet.

<b>SITE SUMMARY - TOTAL SUBDIVISION AREA</b>			
	N/A	acres x 43,560 =	_____ Total square feet
1.	Building(s) footprint	_____	sq. ft.
2.	Garages or carports	_____	sq. ft.
3.	Recreation facilities	_____	sq. ft.
4.	Paved surfaces	121,564	sq. ft.
5.	Restricted common areas	_____	sq. ft.
6.	Other: (attach description)	_____	sq. ft.
Sub Total (1-6)		N/A	sq. ft.
		<b>Total Square Ft. (from above)</b>	N/A sq. ft.
		<b>Subtract Sub Total (1-6)</b>	N/A sq. ft.
		<b>Remainder = native area</b>	120,703 sq. ft.
		<b>Remainder = landscape area</b>	31,617 sq. ft.

**INDIVIDUAL SUMMARY SCHEDULES**

1. Buildings Containing Units

Length	x	Width	=	Area of Each Bldg.	x	No. of Buildings	=	Total Area Square Feet
_____	x	_____	=	_____	x	_____	=	_____
_____	x	_____	=	_____	x	_____	=	_____
_____	x	_____	=	_____	x	_____	=	_____
<b>Total for Summary Item 1 above</b>								_____

2. Multiple Detached Garages and Carports

_____	x	_____	=	_____	x	_____	=	_____
_____	x	_____	=	_____	x	_____	=	_____
_____	x	_____	=	_____	x	_____	=	_____
<b>Total for Summary Item 2 above</b>								_____

3. Recreational Facilities

Total Area

- a. Recreation Room, Clubhouse, Lanai, or other  
(length x width = total sq. ft.)

\_\_\_\_\_ x \_\_\_\_\_ = \_\_\_\_\_ sq. ft.

- b. Pools

Number: \_\_\_\_\_

Size: \_\_\_\_\_

\_\_\_\_\_ sq. ft.

- c. Spas

Number: \_\_\_\_\_

Size: \_\_\_\_\_

\_\_\_\_\_ sq. ft.

- d. Tennis Courts

Number: \_\_\_\_\_

Size: \_\_\_\_\_

Surface Type: \_\_\_\_\_

\_\_\_\_\_ sq. ft.

- e. Other: (Describe)

\_\_\_\_\_ sq. ft.

**Total for Summary Item 3 above** \_\_\_\_\_ sq. ft.

4. Paved Areas (streets, parking, walkways, etc.)  
(length x width = square foot area)

Paving Material (concrete, asphalt, etc.)

\_\_\_\_\_ x \_\_\_\_\_ = 107,458

Asphalt Street

\_\_\_\_\_ x \_\_\_\_\_ = 12,606

Concrete Curb/Gutter/Walks

\_\_\_\_\_ x \_\_\_\_\_ = 1,500

Asphalt Bike Path

\_\_\_\_\_ x \_\_\_\_\_ = \_\_\_\_\_

**Total for Summary Item 4 above** 121,564 sq. ft.

5. Restricted Common Areas Use (patio, etc.)

Describe and attach calculations

\_\_\_\_\_

**Total for Summary Item 5 above** \_\_\_\_\_ sq. ft.

6. Other - Describe and attach calculations

\_\_\_\_\_

**Total for Summary Item 6 above** \_\_\_\_\_ sq. ft.

**ROOF RESERVE WORKSHEET**

N/A  
(See page 15.)

Building*	Flat Roofed Area	Shingled Area	Cement/Spanish Tile or Wood Shake Area
<b>Totals</b>			
<b>Modifications</b>		x x	x x
<b>Grand Totals</b>			

Pitch	Rise	Multiplier
One eighths	3" in 12"	1.03
One sixth	4" in 12"	1.06
Five 24ths	5" in 12"	1.08
One quarter	6" in 12"	1.12
One third	8" in 12"	1.20
One half	12" in 12"	1.42
Five eighths	15" in 12"	1.60
Three quarters	18" in 12"	1.80

\* Take areas of all buildings listed in Sections 1, 2 and 3a. Add 6% (a 1.06 multiplier) for each foot of roof overhang. In addition, adjust for roof pitch based upon the table below. The table converts horizontal area to roof area.

**PAINTING WORKSHEET**

**EXTERIOR**

Exterior painting area is determined by measuring the structure to find the perimeter (total distance around) and multiplying that by 10 for each story. Use a separate line for each story if the configuration of the building changes from story to story (for wood siding see Item 301 in the Cost Manual).

- Buildings (include garages, recreation buildings)

Type of Surface	Perimeter	x 10 ft.	x	No. of Stories	x	No of Bldg. (if identical)	=	Total Area
_____	_____	x 10 ft.	x	_____	x	_____	=	_____
_____	_____	x 10 ft.	x	_____	x	_____	=	_____
_____	_____	x 10 ft.	x	_____	x	_____	=	_____
_____	_____	x 10 ft.	x	_____	x	_____	=	_____
<b>Total building paint area</b>								_____

- Walls

Linear Feet	x	Height	x 2 *	=	Total Area
_____	x	_____	x 2 =		_____
_____	x	_____	x 2 =		_____
_____	x	_____	x 2 =		_____
<b>Total wall paint area</b>					_____
<b>Total Exterior Paint Area</b>					_____

**INTERIOR**

Interior painting reserve is determined by measuring the room perimeter and multiplying by 8' and adding ceiling area.

Room/Type Descrip.	Walls Perimeter	x 8 ft.	=	Wall Area	+	Ceiling (Length x Width)	=	Total Area
_____	_____	x 8 ft.	=	_____	+	_____ x _____	=	_____
_____	_____	x 8 ft.	=	_____	+	_____ x _____	=	_____
_____	_____	x 8 ft.	=	_____	+	_____ x _____	=	_____
_____	_____	x 8 ft.	=	_____	+	_____ x _____	=	_____
<b>Total Interior Paint Area</b>								_____
<b>TOTAL EXTERIOR AND INTERIOR</b>								_____

**FENCES**

Fence requiring paint or stain (see Item 312 in manual for wood and wrought iron).  
Compute separately using higher cost-put on separate line on page 5 of the Reserve Worksheet.

Linear Feet	x	Height	x 2*	=	Total Area
80	x	4	x 2 =		640 2-rail
_____	x	_____	x 2 =		_____
_____	x	_____	x 2 =		_____
<b>Total fence area</b>					640

\* Always multiply by 2 to cover the area for both sides of the wall or fence. If the wall or fence will be painted or stained on one side only, adjust your calculation and make appropriate notation on the worksheet.

**ELECTRICAL ENERGY CONSUMPTION WORKSHEET**

	<b>KWH per month</b>
<b>A. Lights (see Note 1)</b> <i>(number of lights x average watt per light x average number hours in use per day x .03 = KWH per month)</i>	
1. Interior Lights <i>(hallways, lobbies, garage, stairwells, etc.)</i>	
_____ x _____ x _____ x .03	= _____
2. Garage Lights	
_____ x _____ x _____ x .03	= _____
3. Irrigation Controller	
3 x 15 x 24 x .03	= 32.40
4. Street Lights	
_____ x _____ x _____ x .03	= _____
<b>B. Elevators</b> <i>(number of cabs x number of floor stops per cab x 167 KWH = KWH/month)</i>	
_____ x _____ x 167 KWH	= _____
<b>C. Tennis Court Lights</b> <i>(number of courts x 1000 KWH = KWH per month)</i>	
_____ x 1000 KWH	= _____
<b>D. Electric Heating</b> <i>(0.25 KWH x sq. ft. heated = KWH per month for warm climates) (0.65 KWH x sq. ft. heated = KWH per month for cold climates)</i>	
_____ x _____	= _____
<b>E. Hot Water Heating</b> <i>(320 KWH x number of 40 gallon tanks = KWH per month)</i>	
320 KWH x _____	= _____
<b>F. Air Conditioning</b> <i>(number of sq. ft. cooled x .34 KWH = KWH per month)</i>	
_____ x .34 KWH	= _____
<b>G. Electrical Motors (see Notes 2 and 3)</b> <i>(horsepower x watts x hours of use/ day x .03 x % of year in use = KWH/month)</i>	
Motor #1 .5 x 1100 x 4 x .03 x 400%	= 264.00 BMP's circ.
Motor #2 _____ x _____ x _____ x .03 x ____%	= _____
Motor #3 _____ x _____ x _____ x .03 x ____%	= _____
Motor #4 _____ x _____ x _____ x .03 x ____%	= _____
<b>H. Pool/Spa Heating</b> <i>(Number of heaters x KWH rating x hours of daily use x 30 days = KWH per month)</i>	
_____ x _____ x _____ x 30 days =	_____
<b>Misc./Contingency</b>	500.00
<b>TOTAL KWH PER MONTH</b>	<b>796.40</b>



I. Total Monthly Cost

*(total KWH per month x rate per KWH = total cost)*

•	<u>796.40</u>	x	\$	<u>.1855</u>	=	\$	<u>147.73</u>
•	Monthly common meter charge					\$	<u>27.32</u>
				Total Monthly Cost		\$	<u>175.05</u>

Utility Company Name: Tahoe Donner P.U.D.

Telephone Number: (530) 587-3896

**Notes**

- 1 Do not include leased lights. Instead use lease agreement with rate schedule with budget work sheet. Put monthly charge into Item 201 leased lights. Use a minimum of 10 hours per day average usage for exterior lighting.
- 2 Motors are found in swimming pool pumping systems, circulating hot water systems, ventilation systems in subterranean garages, security gates, interior hallways, and interior stairwells and also in private water systems and fountains. (Hours of use for pool pumps - see Item 201 in the Cost Manual.)
- 3 Normally 1,000 watts per horsepower should be used. Check plate on motor or manufacturer's specifications. If wattage is not listed, it can be calculated by multiplying amps x volts.

**GAS CONSUMPTION WORKSHEET**

N/A

**Therms**

**1. Water Heaters**

*(number of dwelling units on association meters + laundry rooms + outdoor showers + recreation rooms = number units x 20 Therms = Therms per month)*

\_\_\_\_\_ + \_\_\_\_\_ + \_\_\_\_\_ + \_\_\_\_\_ = \_\_\_\_\_ x 20 Therms = \_\_\_\_\_

**2. Pool (see Note\*)**

*(BTU rating x hours of daily use x .0003 x % of year in use = Therms)*

Pool #1 \_\_\_\_\_ x \_\_\_\_\_ x .0003 x \_\_\_\_\_ % = \_\_\_\_\_

Pool #2 \_\_\_\_\_ x \_\_\_\_\_ x .0003 x \_\_\_\_\_ % = \_\_\_\_\_

**3. Spa**

*(Number of spas (by size) x therm range = Therms used)*

\_\_\_\_\_ (8' diameter) x 300 Therms = \_\_\_\_\_

\_\_\_\_\_ (10' diameter) x 350 Therms = \_\_\_\_\_

\_\_\_\_\_ (12' diameter) x 400 Therms = \_\_\_\_\_

**4. Central Heating**

*(BTU rating x average hours of daily use x .0003 = Therms used)*

\_\_\_\_\_ x \_\_\_\_\_ x .0003 = \_\_\_\_\_

**5. Other**

*(number of gas barbecues, fireplaces, etc.) x 5 = Therms*

\_\_\_\_\_ x 5 = \_\_\_\_\_

**Total Therms**

\_\_\_\_\_

*(therms x rate = monthly charge)*

\_\_\_\_\_ x \_\_\_\_\_ = \$ \_\_\_\_\_

\_\_\_\_\_ x \_\_\_\_\_ = \$ \_\_\_\_\_

**Meter Charge** \$ \_\_\_\_\_

**Total Monthly Cost** \$ \_\_\_\_\_

Utility Company Name: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

\* The presumption is a recreation pool with heating equipment will be used all year or 100%. For very hot or cold climates where a heater will not or cannot be used all year, a 70% usage should suffice. Less than 70% usage will require a Special Note in the Subdivision Public Report.

**WATER AND SEWER WORKSHEET**

		<b>Water Cost</b>
A.	Domestic (use only if units are billed through association) (number of units [include rec. rooms] x rate/100 CF x 10 = Water Cost)	
	_____ x \$ _____ = \$ _____	
B.	Irrigation (see Note 1) (landscape area x rate/100 c.f. x .0033 = Water Cost)	
	31,617 s.f. x \$ 1.37/1,000 gallons x .0033 = \$ 109.55	
C.	Sewers (see Note 2) (Charge per unit per month x number units = Sewer Cost)	
	\$ _____ x _____ = \$ _____	
	or alternate calculation (% of A and B, etc.)	
	_____ (A) x _____ = \$ _____	
D.	Meter Charge	
	Line Size      1" irrigation      (2", 3" etc.)      Charge Per Month:      \$      90.34	
	Line Size      fire line      (2", 3" etc.)      Charge Per Month:      \$      174.59	
	<b>TOTAL MONTHLY COST:</b> \$      374.48	
	<b>MONTHLY WATER COST:</b> \$      374.48	
	<b>MONTHLY SEWER COST:</b> \$      _____	

Utility Company Name: Tahoe Donner P.U.D. / Truckee Sanitary District  
 Telephone Number: (530) 587-3896 / (530) 587-3804

**Notes**

1 Average usage is four-acre feet of water per acre of landscaping per year. This formula is based on four-acre feet of usage. Some areas like the low desert will require 8 to 12-acre feet of water per acre of landscaping per year and the "B" figure should be adjusted accordingly. (Example: 4 x figure for B = 12-acre feet.)

2 If some other method of billing is used for the sewage charge and/or this will not be a common expense, provide a letter from the sanitation district and/or water company (whichever applicable) which so states.

**PRORATION SCHEDULE WORKSHEET**  
N/A

**Section I Variable Assessment Computation**

A. Variable Costs Description		Monthly Cost
1.	Insurance	\$ _____
2.	Domestic Gas (if common)	\$ _____
3.	Domestic Water (if common)	\$ _____
4.	Paint	\$ _____
5.	Roof	\$ _____
6.	Hot Water Heater (if common)	\$ _____
7.	Other	\$ _____
<b>Total Variable Cost</b>		_____

B. Total livable square footage of all units from condominium plan: \_\_\_\_\_

C. Variable Factor (*variable monthly costs ÷ square footage = variable factor*): \_\_\_\_\_

Multiply this factor by each unit size below in Section III.

**Section II Equal Assessment Computation**

A.	Total Monthly Budget	\$ _____
	Less Variable Costs	\$ _____
	Total Monthly Equal Costs	\$ _____
B.	Monthly Base Assessment:	\$ _____

(*total monthly cost ÷ number of units = monthly base assessment*)

**Section III Assessment Schedule**

Unit Size	x	Variable Factor	=	Variable Assessment	+	Base Assessment	=	Total Mth. Assessment	x	Unit Count	=	Total Mth. Budget *
A.	x	_____	=	_____	+	_____	=	_____	x	_____	=	_____
B.	x	_____	=	_____	+	_____	=	_____	x	_____	=	_____
C.	x	_____	=	_____	+	_____	=	_____	x	_____	=	_____
D.	x	_____	=	_____	+	_____	=	_____	x	_____	=	_____
E.	x	_____	=	_____	+	_____	=	_____	x	_____	=	_____

**VERIFICATION OF COMPUTATIONS** Total Monthly Budget (Section III) \_\_\_\_\_

Total Monthly Budget (Section IIA) \_\_\_\_\_

\* Total Assessment x number of units of each type.

**Section IV Variable Assessments**

Highest Assessment	-	Lowest Assessment	÷	Lowest Assessment	=	% Differential
_____	-	_____	÷	_____	=	_____ %

**SUPPLEMENTAL WORKSHEET**

**LANDSCAPING**

A. Complete chart and transfer "total landscape cost per year" to line #208 on page 3 (cumulative per phase).

Type	Percent	Area	Annual Cost per S.F.	Total Cost per Type
Open Space - Native Forest	83.76%	120,703 s.f.	.025 seasonal	3,017.58
Class C - Seasonal Landscape	16.24%	23,400 s.f.	.25 (seasonal)	5,850.00
Front Yards ( ___ lots x \$ ___/mo.) Or Front Yards (per s.f. per year)				
Open space non-maintained				
Landscape repairs/supplies	--	23,400 s.f.	.025 (seasonal)	585.00
Other				
<b>Total</b>	100%	144,103 s.f.		
<b>TOTAL LANDSCAPE COST PER YEAR</b>				9,452.58

B. Please provide information regarding water requirements of drought resistant plants/areas, if any. Indicate as a percentage of normal or standard watering requirements and provide source of information.

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**ROOF**

N/A

A. If there is only one type of roof, with a slope factor across all roof surfaces, the following chart may not need to be completed. When this chart is completed, transfer total to roof line item on page 5.

Building	Type of Roof	Width of Overhang	Quantity (incl. overhang)	x	Pitch Multiplier	=	Adjusted S.F.	x	Annual Cost per S.F.	=	Total Annual Cost
				x		=		x		=	
				x		=		x		=	
				x		=		x		=	
				x		=		x		=	
				x		=		x		=	
<b>TOTAL ROOF COST PER YEAR</b>											

B: If a mansard will be/is constructed please provide the measurements and type of material to be used.

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**EXHIBIT "A"**  
**ADDITIONAL ESCROW INSTRUCTIONS**  
**TO**  
**BUYER'S/SELLER'S ESCROW INSTRUCTIONS**  
**FOR**  
**FINAL MAP - FM 2020-00000029/FM, THE VILLAGE AT GRAY'S CROSSING**  
**a.k.a. THE VILLAGE AT GRAY'S CROSSING TOWNHOMES**

A. This escrow shall not close, funds shall not be released from impound and title shall not be conveyed to buyer and Association until all of the following conditions have been met:

1. "Proper releases" [as defined in Regulation 2791.1] have been obtained on the lot, or parcel from any and all "blanket encumbrances [as defined in B & P Code Section 11013]; including Common Area Lots "G", "K" and "L" of Final Map - FM 2020-00000029/FM, The Village at Gray's Crossing and Common Area Lots "H" and "I" of Final Map No. 02-007, The Village at Gray's Crossing, Phase 1 (collectively the "Common Area") to the Village at Gray's Crossing Master Association ("Master Association), provided, however, escrow may close, funds released, and title conveyed to buyer and to the Master Association even though no proper release has been obtained from the lien or charge of one or more deeds of trust if the buyer and the Master Association are notified that a "release agreement" [as defined in Regulation 2791.1], duly deposited with the escrow holder, is available to the buyer and the Master Association on request for each such deed of trust and the buyer and the Master Association have been provided a policy of title insurance in an amount not less than the cost of the completed improvements insuring the buyer and Associations against loss by reason of each such deed of trust.

and

2. In compliance with Section 11018.5(a)(2)(B) of the California Business and Professions Code, all common facilities and improvements on the Common Area Lots "G", "K" and "L" of Final Map - FM 2020-00000029/FM, The Village at Gray's Crossing and Lots "H" and "I" of Final Map No. 02-007, The Village at Gray's Crossing, Phase 1 have been completed, as evidenced by a Notice of Completion (as defined in Civil Code Section 8182) being recorded covering all the common facilities and improvements.

OR

As an alternative, seller has secured a bond or other security acceptable to the Department of Real Estate to assure completion of any common facilities, improvements, structures and residential units, as applicable, which have not been completed as of the date the bond or other security has been furnished, and Escrow Holder has received Department of Real Estate form RE 621A executed by the Department of Real Estate, together with the original bond or other security in an amount set forth in form RE 621A.

3. The cluster residential structure which contains this Lot's (Lot No. \_\_\_\_\_) living unit has been completed, as evidenced by a Notice of Completion (as defined in Civil Code Section 3093) being recorded covering all lots in this particular cluster (Lot Nos. \_\_\_\_\_). Cluster residential structures are located on the following groups of lots in this subdivision:

Lots 1 and 2; Lots 3 and 4; Lots 5 and 6;  
Lots 7 and 8; Lots 9 and 10; Lots 11 and 12;  
Lots 13 and 14; Lots 15 and 16; Lots 17 and 18;  
Lots 19 and 20; Lots 21 and 22; and Lots 23 and 24.

4. The statutory period for recordation of all mechanics lien claims has expired or the purchaser is provided a Policy of Title Insurance in an amount not less than the cost of the completed improvements with an endorsement insuring the buyer against any loss occurring from mechanics liens.

5. Escrow Holder has determined that title to the Common Area has been or is concurrently being conveyed to the Master Association free of all liens and encumbrances.

B. If this escrow does not close within eighteen (18) months of the date of seller's acceptance of your offer, and the failure to close escrow is not due to default of the buyer, this escrow is to be canceled and all funds in escrow immediately refunded to buyer upon buyer's request.

C. Subject to the requirements of Civil Code Sections 1675(c) or (d), 1676, 1677 and 1678, if funds deposited in escrow by buyer have been disbursed on the instructions of seller, as permitted by Section 2791 of the Regulations of the Real Estate Commissioner, the funds expended shall be immediately reimbursed to escrow by seller upon seller's failure to perform within the 18-month term of the escrow and these funds immediately refunded to buyer from escrow.

D. No escrow will close until the escrow holder has received written notice from a title insurance company that each and every encumbrance, including without limitation, any mortgage or deed of trust, filed of record prior to the time of recording of the Sub-Association's Declaration of Covenants, Conditions and Restrictions, the Master Association's Master Declaration of Covenants, Conditions and Restrictions, the Master Association's First Amendment to Master Declaration, the Master Association's Second Amendment to Master Declaration and the Master Association's Declaration of Annexation have been either (i) fully reconveyed or (ii) expressly subordinated to the Sub-Association's Declaration of Covenants, Conditions and Restrictions, the Master Association's Master Declaration of Covenants, Conditions and Restrictions, the Master Association's First Amendment to Master Declaration, the Master Association's Second Amendment to Master Declaration and the Master Association's Declaration of Annexation.

E. In compliance with Section 2792.9 of the Regulations of the Real Estate Commissioner, seller shall deliver to Escrow Holder a financial guarantee securing seller's obligation to pay assessments levied by the Sub-Association on lots owned by seller.

F. In compliance with Section 2792.9 of the Regulations of the Real Estate Commissioner, seller shall deliver to Escrow Holder a financial guarantee securing seller's obligation to pay assessments levied by the Master Association on lots owned by seller within the Village at Gray's Crossing Townhomes (Lots 1 through 24 of Final Map - FM 2020-00000029/FM, The Village at Gray's Crossing).

G. In compliance with Section 2792.10 of the Regulations of the Real Estate Commissioner, seller shall deliver to Escrow Holder a financial guarantee securing seller's obligation to subsidize a portion of buyer's regular assessments as levied by the Master Association on all lots within Phase 4 of the Village at Gray's Crossing Townhomes (Lots 1 through 24 of Final Map - FM 2020-00000029/FM, The Village at Gray's Crossing).