

Bureau of Real Estate  
of the  
State of California

FINAL SUBDIVISION PUBLIC REPORT  
PLANNED DEVELOPMENT

In the matter of the application of

LA COLLINA DAL LAGO,  
a California limited partnership

FILE NO.: 112318SA-A01

ISSUED: DECEMBER 10, 2004

AMENDED &  
RENEWED: JULY 16, 2013

EXPIRES: JULY 15, 2018

for a Final Subdivision Public Report on

PLAT OF LA COLLINA DAL LAGO  
SUBDIVISION NO. PN01-098,  
a.k.a. "LA COLLINA DAL LAGO"

BUKEAU OF REAL ESTATE

by: 

SACRAMENTO COUNTY, CALIFORNIA

Shannon Boyd

**CONSUMER INFORMATION**

- v **THIS REPORT IS NOT A RECOMMENDATION OR ENDORSEMENT OF THE SUBDIVISION; IT IS INFORMATIVE ONLY.**
- v **BUYER OR LESSEE MUST SIGN THAT (S)HE HAS RECEIVED AND READ THIS REPORT.**
- v 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 Bureau 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 or ancestry, 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, 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 Bureau of Real Estate.

**READ THE ENTIRE REPORT ON THE FOLLOWING PAGES BEFORE CONTRACTING TO BUY OR LEASE AN INTEREST IN THIS SUBDIVISION.**

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**COMMON INTEREST DEVELOPMENT  
GENERAL INFORMATION**

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***Common Interest Development***

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

***Governing Instruments***

Your ownership in this development and your rights and remedies as a member of its association will be controlled by governing instruments which generally include a Declaration of Restrictions (also known as CC&Rs), 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 Bureau of Real Estate publishes the Common Interest Development Brochure. The information in this brochure provides a brief overview of the rights, duties and responsibilities of both associations and individual owners in common interest developments. To obtain a free copy of this brochure, please send your request to:

Book Orders  
Bureau of Real Estate  
P.O. Box 137000  
Sacramento, CA 95813-7000

RE 646 (Rev. 12/99)

THIS AMENDED AND RENEWED REPORT COVERS ONLY LOTS 3, 11, 12, 24, 25 AND 35.

**SPECIAL INTEREST AREAS IN THIS FINAL SUBDIVISION PUBLIC REPORT:** YOUR ATTENTION IS ESPECIALLY DIRECTED TO THE PARAGRAPHS BELOW ENTITLED: THE CC&Rs, USES/ZONING/HAZARD DISCLOSURES, PURCHASE MONEY HANDLING, WATER, SEWAGE DISPOSAL, AND BUILDING PERMIT.

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.

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 Natoma Street and Folsom Dam Road within the city limits of Folsom, CA. 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 and common amenities which will be maintained by an incorporated association.

**Interests to Be Conveyed:** You will receive fee title to a specified lot together with a membership in the La Collina Dal Lago Owners' Association ("Association") and rights to use the common area.

**About This Phase:** This is a single phase subdivision which consists of approximately 23.13 acres divided into 38 lots including the common area, which consists of Lots A, C, D, E, F, G and H.

Common amenities and/or facilities consisting of landscaping, streets and drives, fences and walls, pilasters, lighting, and a gated entry have been constructed on the common area.

**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 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 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 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 1368).

**Completion of Common Area:** The subdivider advises that all common area improvements are complete, as evidenced by (i) a Notice of Completion recorded on September 16, 2004, as Book 20040916, at Page 1426, and (ii) letter/statement dated May 3, 2013 from the Association acknowledging completion of all common area improvements on Lots A, C, D, E, F, G and H.

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

**EXISTING 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 1365.5 OF THE CIVIL CODE.

**The CC&Rs:** This subdivision is subject to the CC&Rs recorded in the Office of the Sacramento County Recorder on September 29, 2003, Book 20030929, Page 1799, amended on July 30, 2004, Book 20040730, Page 2795, and amended on November 09, 2004, Book 20041109, Page 363.

Your attention is especially directed to Section 16.14 as well as other sections that set forth restrictions pertaining to the type, size, design, and placement on the lot of the residential structure to be built.

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 THAT HE WILL FURNISH THE CURRENT BOARD OF OFFICERS OF THE ASSOCIATION AND EACH INDIVIDUAL PURCHASER WITH THE BUREAU OF REAL ESTATE REVIEWED ASSOCIATION BUDGET.

THE SUBDIVIDER MUST MAINTAIN AND DELIVER TO THE ASSOCIATION THE SPECIFIC RECORDS AND MATERIALS LISTED IN REAL ESTATE COMMISSIONER'S REGULATION 2792.23 WITHIN THE STATED TIME PERIOD. THESE RECORDS AND MATERIALS DIRECTLY AFFECT THE ABILITY OF THE ASSOCIATION TO PERFORM ITS DUTIES AND RESPONSIBILITIES (SECTION 11018.5 OF THE BUSINESS AND PROFESSIONS CODE AND SECTION 1363 OF THE CIVIL CODE).

THE SUBDIVIDER SHALL MAKE A COPY OF THE ARTICLES, THE BYLAWS, AND THE CC&RS 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**

**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 Budget:** The subdivider has submitted the Association's current operating budget for fiscal year 2013 as the budget for the management, maintenance and operation of the Association obligations and for long-term reserves. This budget was reviewed by the Bureau of Real Estate in June 2013. You should obtain a copy of this budget from the subdivider. Under this budget, the monthly assessment against each lot will be \$80.95, of which \$28.48 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 BUREAU OF REAL ESTATE BEFORE ENTERING INTO A 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 BUREAU 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 1365 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.

**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 have commenced on all lots. 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.

### **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 – 1 Acre Lots/Single-Family Residential  
South – Single-Family Residential  
East – 1 Acre Lots/Single-Family Residential  
West – Commercial

**Hazards:** The subdivider advises that the following hazards exist within or near this subdivision:

Folsom Lake State Recreation Area Property is adjacent to the project to the northwest.

California State Folsom Prison is located one mile west of the project.

High tension wires are located on the adjacent property west of the project and over common area Lot A.

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

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

If 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.

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

**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.

Additionally the preliminary report shows title, among other things, to be subject to:

The terms, conditions and provisions as contained in the agreement entitled "Zoning Agreement", by and between La Collina Dal Lago, and City of Folsom, dated June 25, 2003, recorded July 14, 2003 as Book 20030714, Page 1119, Official Records.

Provisions and conditions set forth in the "Notes" of the following Map: Plat of La Collina Dal Lago Subdivision No. PN01-098.

An agreement by and between the City of Folsom and La Collina Dal Lago, a California limited partnership, setting forth the terms, conditions and restrictions relating to the subdivision referred to in the legal description herein, recorded October 21, 2004, in Book 20041021 Page 1235, Official Records.



**Easements:** Easements for utilities, mail delivery, drainage, rights-of-way, setbacks, sewers, ingress and egress, water and sewer pipelines, electrical transmission facilities, emergency access, public conservation, planting and maintaining trees, fuel modification, and other purposes are shown on the title report and Subdivision Map recorded on September 29, 2003 in the Office of the Sacramento County Recorder, Book 319 of Maps, at Page 5.

Adjustments to the original subdivision map(s) 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.

The total property tax rate for the subdivision is 1.0910% for tax year 2012/2013.

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 La Collina Dal Lago Landscape and Lighting District and is subject to any taxes, assessments and obligations thereof; however, the subdivider advises that the district is not currently assessing the lots in this subdivision.

## 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 three-hundred sixty-five (365) days of the date of your purchase agreement/contract 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 contain filled ground. Information concerning filled ground, soil conditions and geologic conditions is available at City of Folsom Community Development Department, 50 Natoma Street, Folsom, CA 95630.

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:** The subdivider advises that the City of Folsom will supply water to each lot.

You will be required to pay costs for installation of water services to your dwelling. The subdivider estimates that the cost will be between \$2,000.00 and \$2,500.00.

You will be required to pay costs for hook-up of water services. The fees collected when your building permit is issued include \$2,721.00 for the hook-up and a \$389.00 meter fee. In addition, the current charge per month for water service is \$37.55.

**Sewage Disposal:** You will be required to pay costs for hook-up to sewer service.

The subdivider provided the following information in relation to sewer connection fees:

\$2,800.00 to the County of Sacramento (collected when building permit issued)

\$965.00 to the City of Folsom (collected when building permit issued)

\$40.15 per month for sewer service

**Gas:** PG&E (800) 743-5000

**Electricity:** SMUD (800) 742-7683

**Telephone:** AT&T (800) 288-3020

**Building Permit:** If you purchase a vacant lot within this subdivision, you will be required to obtain a building permit and pay all applicable fees prior to construction. These fees may include, but may not be limited to the following: schools, sewer, water, drainage, traffic mitigation, park, infrastructure, etc. Vacant lot purchasers should contact the local building and planning departments for the current list of fees and other requirements prior to purchasing a lot. Purchasers of vacant lots should realize, however, that these fees and requirements could change.

**Fire Protection:** City of Folsom Fire Department, 535 Glenn Drive, located less than five miles from the project

**Streets and Roads:** The private streets within this subdivision will be maintained by the Association. The costs of repair and maintenance of these private streets are included in the budget and are a part of your regular assessment.

**Schools:** The subdivider advises that this subdivision lies within the Folsom Cordova Unified School District, 1965 Birkmont Drive, Rancho Cordova, CA 95742-6407, and telephone (916) 294-9000.

For the most current information regarding school assignments, facilities and bus service, purchasers are encouraged to contact the school district(s).

### **CONTACTING THE BUREAU OF REAL ESTATE**

If you need clarification as to the statements in this Public Report, or if you would like to make arrangements to review the documents submitted by the subdivider which the Bureau of Real Estate used in preparing this Public Report, you may contact the Bureau of Real Estate Subdivisions North office located at 1651 Exposition Blvd., Sacramento, CA 95815, (916) 263-8929.