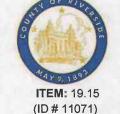
SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



(ID# 11071)

MEETING DATE:
Tuesday, April 07, 2020

FROM: TREASURER-TAX COLLECTOR:

SUBJECT: TREASURER-TAX COLLECTOR: Petition for Rescission of Tax Deed to Purchaser of Tax-Defaulted Property, Sale No. Tax Sale 212 Item No. 655, Tax Sale Date May 01, 2018 for PIN 612-081-069; 4th District. [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

- Hold a public hearing under the provisions of Sections 3725 and 3731 of the Revenue and Taxation Code, relative to the Petition of Calhoun Village Homeowners Association to rescind the Tax Deed resulting from the tax sale of parcel identification number 612-081-069 in the City of Indio (the "Subject Property").
- 2.) At the conclusion of the public hearing, find that the tax sale was lawful; that the Petition lacks merit; and deny the Petition.
- 3.) Direct the Treasurer-Tax Collector to provide written notice of the Board's decision to the Petitioner and the Tax Deed Purchaser.

ACTION:Policy

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Spiegel, seconded by Supervisor Washington and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes:

Jeffries, Spiegel, Washington, Perez and Hewitt

Nays:

None

Absent:

None

Date:

April 7, 2020

XC:

Treasurer

19.15

Kecia R. Harper

Clerk of the Board

SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost		
COST	\$0	\$0	\$0	\$0		
NET COUNTY COST	\$0	\$0	\$0	\$0		
SOURCE OF FUNDS:			Budget Adjus	Budget Adjustment: N/A For Fiscal Year: 19/20		
			For Fiscal Yea			

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

Sections 3725 and 3731 of the Revenue and Taxation Code provide that the Board of Supervisors is to hold a public hearing regarding the possible rescission of Tax Deed, when the prior owner to the property sold at tax sale files a timely petition for rescission. Petitioner Calhoun Village Homeowners Association ("Petitioner") claims to be the prior owner of the Subject Property and timely filed such a petition through attorney Karen A. Larko, Esq. of Epsten Grinnell & Howell, APC. (The Petition is attached.)

Upon conclusion of a properly noticed public hearing, the Board of Supervisors may rescind a tax deed if the Board determines that the property should not have been sold. Notice of the hearing on the Petition was properly given to the appropriate interested parties as required by law.

The property taxes on the Subject Property became delinquent as of tax year 2011-2012.

The Subject Property was sold to Dragon's Den Properties, LLC, a Ltd Liability Company pursuant to Division 1, Part 6, Chapter 7 of the California Revenue and Taxation Code. Chapter 7 authorizes the County to sell tax-defaulted property that has become five years or more defaulted through public auction. The tax collector shall have the power to sell and shall attempt to sell in accordance with Section 3692 all or any portion of tax-defaulted property that has not been redeemed.

Chapter 7 Tax Sales must be approved by the Board of Supervisors and notification must be sent to the State Controller's office. The Board of Supervisors approved the tax sale on January 23, 2018, and the State Controller was notified.

The tax sale became effective as of April 26, 2018, when the last assessee, Coachella Valley Land Corporation, failed to pay the delinquent taxes and redeem the Subject Property. A Tax Deed for the Subject Property was issued to Dragon's Den Properties, LLC a Ltd Liability Company in exchange for \$26,800.00, the minimum purchase price required by Chapter 7. This Tax Deed was subsequently recorded on June 26, 2018.

SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

Petitioner alleges that Petitioner did not receive any notice of the assessment, the lien or the tax sale, so they were unable to address the issue with the County prior to the sale. Petitioner states that this property, referred to as Lot E, is a Common Area within the Association and should have been transferred by the developer, Coachella Valley Land Corporation, to the Petitioner.

Petitioner submitted a copy of Irrevocable Escrow Instructions from the developer to escrow holder First American Title dated May 12, 2004. In that document, the developer instructed the escrow holder that, upon the occurrence of certain events, the escrow holder was to record a grant deed transferring title of certain lots, including Lot E, to the Calhoun Village Homeowners Association. A copy of the signed grant deed, which purportedly is the one the escrow holder was instructed to record upon the occurrence of the events, was also submitted by the Petitioner. The Petitioner submitted no evidence of the grant deed actually being recorded, and the Tax Collector likewise found no independent evidence of a recorded grant deed transferring title from developer Coachella Valley Land Corporation to the Petitioner.

Section 3365 of the Revenue and Taxation Code requires the Tax Collector to mail the Notice of Power to Sell Tax Defaulted Property to the last assessee of the tax-defaulted property at his or her last known address.

Contrary to Petitioner's allegations, the official records of the Tax Collector disclose that the Tax Collector mailed the Notice of Power to Sell Tax-Defaulted Property by certified mail on or about June 2, 2017 to the last assessee, Coachella Valley Land Corporation at the 2 Ranch Dr., Novato, CA 94945 address and that the notice was delivered on June 5, 2017.

The official records of the Tax Collector disclose that, on or about March 1, 2018, the Tax Collector mailed this Notice of Sale of Tax-Defaulted Property, by certified notice, to the last assessee, Coachella Valley Land Corporation, at the 2 Ranch Dr., Novato, CA 94945 address and that the notice was delivered on March 5, 2018.

Consequently, the Tax Collector properly and timely provided the last assessee all legally required notice of the tax sale. The notice provided by the Tax Collector meets or exceeds all statutory and constitutional notice requirements.

The Tax Collector had lawful authority to sell the Subject Property by Chapter 7 Agreement, when Petitioner failed to record the Grant Deed, failed to file a change in ownership statement or otherwise provide notice to the County of a change in ownership, and failed to pay the delinquent taxes prior to the termination of the redemption period. Therefore, the tax sale was lawful and proper; and Petitioner has failed to meet its burden of proof that the tax sale should not have occurred.

Consequently, the Petitioner lacks merit; and the Board of Supervisors should deny the Petition.

SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

Impact on Citizens and Businesses

There is not impact on Residents and Businesses

ATTACHMENTS (if any, in this order):

ATTACHMENT A: Petition to Rescind Tax Sale Property

ATTACHMENT B: Tax Deed to Purchaser of Tax-Defaulted Property

ATTACHMENT C: Declaration of Sandy Finley

regory V. Priapios, Director County Counsel 2/19/20



Respond to: San Diego office

www.epsten.com 1.800.300.1704

April 29, 2019

VIA CERTIFIED MAIL (RETURN RECEIPT REQUESTED)

Board of Supervisors County of Riverside County Administration Center 4080 Lemon Street Riverside, CA 92501

Re: Calhoun Village Homeowners Association

Notice of Invalid Tax Sale of Common Area Lot E of Tract 31074, City of

Indio; Petition to Have Sale Rescinded

Our File No. 6305.0001

Dear Members of the Riverside County Board of Supervisors:

Our firm provides legal counsel to Calhoun Village Homeowners Association ("Association").

We have been retained to request that the Board of Supervisors promptly rescind the County's May 1, 2018, public auction sale of Lot E of Tract 31074 in the City of Indio, County of Riverside, State of California ("Lot E") to Dragon's Den Properties LLC's ("DDP"). The recorded Tax Deed to Purchaser for this sale is enclosed.

Lot E is a Common Area lot within the Association, a planned development as defined in California Business and Professions Code section 11003¹ and California Civil Code section 4175², which should have been transferred to the Association by the developer, Coachella Valley Land Corporation, and First American Title Insurance Company at the time the first residential lot within the development was sold.³ (Please see enclosed irrevocable escrow instructions, as well as the Planned Development Final Subdivision Public Report and

3839659v1

San Diego 10200 Willow Creek Rd., Suite 100 San Diego, CA 92131 1.858.527.0111 • fax 1.858.527.1531

Coachella Valley
74830 Highway 111, Suite 100
Indian Wells, CA 92210
1.760.836.1036 • fax 1.760.836.1040

Inland Empire 43460 Ridge Park Dr., Suite 200 Temecula, CA 92590 1.951.461.1181 • fax 1.858.527.1531

20 6-6-1-30 30

¹ Section 1103 states that "Planned development has the same meaning as specified in section 4175 or 6562 of the Civil Code."

² Section 4175 defines a "Planned Development" as "... a real property development other than a community apartment project, a condominium project, or a stock cooperative, having either or both of the following features:

⁽a) Common area that is owned either by an association or in common by the owners of the separate interests who possess appurtenant rights to the beneficial use and enjoyment of the common area. (b) Common area and an association that maintains the common area with the power to levy assessments that may become a lien upon the separate interests in accordance with Article 2 (commencing with Section 5650) of Chapter 8."

³ Article II, Section 3 of the Declaration of Covenants, Conditions and Restrictions for Calhoun Village Homeowners Association states in relevant part that "Conveyance of Common Area to Association. Prior to or concurrent with the first conveyance of a Lot to an Owner, Declarant shall convey title to the Common Area to the Association..."

Board of Supervisors, County of Riverside RE: Invalid Tax Sale of Common Area Lot E; Petition for Rescission of Sale April 29, 2019 Page 2

Preliminary Public Report Common Interest Subdivision confirming the intended transfer of Lot E to the Association.)

Exhibit A to the Declaration of Covenants, Conditions and Restrictions for Calhoun Village Homeowners Association, recorded May 27, 2004, in the Official Records of the Riverside County Recorder as File No. 2004-0400325 ("CC&Rs") provides the complete legal description of the Calhoun village subdivision. Exhibit A identifies the subdivision as being:

LEGAL DESCRIPTION OF THE COVERED PROPERTY

That certain real property located in the City of Indio, County of Riverside, State of California, more particularly described as follows:

Lots 1 through 31, inclusive, and Lot "E" of Tract 31074, as per map recorded in Book 354, pages 67 and 68, inclusive, of Maps, Riverside County Records. (Emphasis added.)

Article I, Section 9 of the CC&Rs states that:

Common Area. The term "Common Area" shall mean all portions of the Project except the Separate Interests therein, and shall include (a) all common improvements and common recreational facilities, if any, as well as all other land, structures and facilities within the Project which are conveyed to the Association for the use and enjoyment of the Owners, and/or (b) mutual or reciprocal easement rights appurtenant to the Separate Interests. The Common Area in the completed Project consists of Lot "E," and the improvements thereon, which may include, without limitation, sidewalks, landscaping, walls or fences; drainage facilities; irrigation and lighting facilities serving the Common Area. (Emphasis added.)

Finally, Tract Map 31074, which identifies the boundaries of the Calhoun Village planned development, clearly shows Lot "E" as being part of the subdivision (enclosed).

LOT E IS NOT SUBJECT TO TAXATION PURSUANT TO CALIFORNIA REVENUE AND TAXATION CODE SECTION 2188.5

Because Lot E is Common Area, Lot E is not subject to separate taxation pursuant to California Revenue and Taxation Code ("Code") Section 2188.5. Code Section 2188.5 states in relevant part that:

(a)(1) Subject to the limitations set forth in subdivision (b), whenever real property has been divided into planned developments as defined in Section 11003 of the Business and Professions Code, the interests therein shall be presumed to be the value of each

Board of Supervisors, County of Riverside

RE: Invalid Tax Sale of Common Area Lot E; Petition for Rescission of Sale

April 29, 2019

Page 3

separately owned lot, parcel, or area, and the assessment shall reflect this value, which includes all of the following:

- (A)The assessment attributable to the value of the separately owned lot, parcel, or area and the improvements thereon.
- (B) The assessment attributable to the share in the common area reserved as an appurtenance of the separately owned lot, parcel, or area. ...
- (2) For the purposes of this section, "common area" shall mean the land and improvements within a lot, parcel, or area, the beneficial use and enjoyment of which is reserved in whole or in part as an appurtenance to the separately owned lots, parcels, or areas, whether this common area is held in common or through ownership of shares of stock or membership in an owners' association. The tax on each separately owned lot, parcel, or area shall constitute a lien solely thereon and upon the proportionate interest in the common area appurtenant thereto.
- (b) Assessment in accordance with subdivision (a) shall only be required with respect to those planned developments that satisfy both of the following conditions:
 - (1)The development is located entirely within a single tax code area.
 - (2)The entire beneficial ownership of the common area is reserved as an appurtenance to the separately owned lots, parcels, or areas. ... (*Emphasis added*.)

Lot E clearly meets the requirements set forth in Code Section 2188.5. The Calhoun Village development, which is located with a single tax code area, meets the definition of development as defined in California Business and Professions Code section 11003 and California Civil Code section 4175 as confirmed by the CC&Rs. Additionally, the entire beneficial ownership of Lot E is reserved as an appurtenance to the separately owned lots within the development as also confirmed by the CC&Rs. Specifically, CC&Rs Article II, Section 2 states that:

Interest in Common Area. Acquisition of title to a Lot shall also include the right to use and enjoy all of the Common Areas within the Project including a non-exclusive easement for ingress, egress, and support, if necessary, through the Common Area. Each conveyance of a Lot, whether voluntary or involuntary, shall also convey the right

Board of Supervisors, County of Riverside RE: Invalid Tax Sale of Common Area Lot E; Petition for Rescission of Sale April 29, 2019 Page 4

to use and enjoy the Common Area even though the conveyance document may omit reference to the Common Area.

CC&Rs Article III, Section 1 states in relevant part that:

Members' Right of Enjoyment. Every Member of the Association shall have a nonexclusive easement for the use and enjoyment of the Common Area, including the right of ingress, egress, and support (if necessary) in, to, and throughout the Common Area, which shall be appurtenant to and pass with title to each Lot ...

CC&Rs Article XI states that:

The Common Area shall remain undivided and each Owner irrevocably waives the right to bring any action to partition the Common Area. The rights in the Common Area and title to the respective Lots, together with any exclusive easements or rights appurtenant to each Unit, shall not be separated, severed or separately conveyed, assigned, encumbered or otherwise transferred. All rights in the Common Area shall be conclusively deemed to be conveyed, assigned, transferred or encumbered with the respective Lot even though the description in the instrument of conveyance or encumbrance may refer only to the Lot.

CC&Rs Article XVI, Section 3 states that:

Common Area Easements. Each Lot within the Project is hereby declared to have an easement over all of the Common Area for the benefit of the Lots, the Owners thereof, and for their families, guests, invitees and tenants, for all of the purposes and used described herein, including ingress, egress, and support, if necessary, over and through the Common Area.

CC&Rs Article VI, Section 2 states in relevant part that:

Purpose of Assessments. The Association shall levy Regular and Special Assessments in sufficient amounts to perform the Association's obligations under the Governing Documents... The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Project and for the improvement, operation and maintenance of the Common Area ... (Emphasis added.)

CC&Rs Article VI, Section 14 states in relevant part that:

...In addition to any other remedies provided herein or available at law or in equity, the Board or its authorized representative may enforce

Board of Supervisors, County of Riverside

RE: Invalid Tax Sale of Common Area Lot E; Petition for Rescission of Sale

April 29, 2019

Page 5

the obligations of the Owners to pay the assessments provided for in this Declaration by either or both of the following procedures: ... (b) Enforcement by Lien.

Code Section 2188.5 requires the common areas of Calhoun Village to be taxed as an element of the separate interests. In other words, the taxes on Lot E should not have been separately assessed, but included as a component of the property taxes for the individual residential lots within the development. Thus, the separate assessment of taxes on Lot E violated Code Section 2188.5 and was invalid.

Because the separate taxation of Lot E was invalid, the sale of Lot E at tax auction for failure to pay such taxes was also invalid and must be rescinded.

Unfortunately, the Association had no notice of the assessment, the lien, or the tax sale, so it was unable to address this issue with the County prior to the sale. The Association only discovered the sale after DDP posted a "For Sale" sign on Lot E.

We are informed that DDP is actively seeking to sell Lot E or develop it despite the fact Lot E is Common Area, so time is of the essence in rescinding the sale.

Based upon my initial review of Code section 3731, it appears that upon refund of the money paid for Lot E by DDP, DDP would be required to execute a quitclaim deed to the Association.

Unless the County determines voluntarily that Lot E should not have been sold for taxes, and refunds DDP the money it paid for Lot E, it would appear the Association's sole remedy will be to obtain a determination that the Assessor lacked authority to impose and collect the taxes in question. While the Association has no desire to litigate this matter, and is hoping that the County will correct this error on its own volition, the Association will have little option but to file suit if the County does not rescind the sale.

Thank you for your prompt attention to the above and response to the undersigned.

Very truly yours,

EPSTEN GRINNELL & HOWELL, APC

Karyn A. Larko, Esq.

KAL/jml Enclosures Board of Supervisors, County of Riverside RE: Invalid Tax Sale of Common Area Lot E; Petition for Rescission of Sale April 29, 2019 Page 6

bcc: David J. Mulligan

4

REQUESTED BY AND MAIL TO: TREASURER-TAX COLLECTOR STOP 1110 . . JON CHRISTENSEN TAX COLLECTOR 4080 LEMON ST-4TH FLOOR RIVERSIDE, CALIFORNIA 92501

DRAGON'S DEN PROPERTIES LLC C/O SOKRAT ARZUMANYAN 1413 1/2 W KENNETH ROAD UNIT 10 GLENDALE, CA 91201

2018-0256533

08/26/2018 11:19 AM Fee: \$ 17.00

Recorded in Official Records County of Riverside Peter Aldana Assessor-County Clark-Recorder

REMARK WITH THE

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TRA 007-067

Doc. Trans, Tax - computed on full value of property conveyed \$_

Jon Christensen, Tax Collector

TAX DEED TO PURCHASER OF TAX-DEFAULTED PROPERTY

On which the legally levied taxes were a lien for Fiscal Year and for nonpayment were duly declared to be in default 2012-612081069-0000

This deed, between the Tax Collector of RIVERSIDE County ("SELLER") and DRAGON'S DEN PROPERTIES LLC. A LTD LIABILITY CO ("PURCHASER") conveys to the PURCHASER free of all encumbrances of any kind existing before the sale, except those referred to in §3712 of the Revenue and Taxation Code, to the real property described herein which the SELLER sold to the PURCHASER at a public auction held on MAY 1, 2018 pursuant to a statutory power of sale in accordance with the provisions of Division 1, Part 6, Chapter 7, Revenue and Taxation Code, for the sum of \$26,800.00.

NO TAXING AGENCY objected to the sale.

in accordance with law, the SELLER, hereby grants to the PURCHASER that real property situated in said county, State of California, last assessed to COACHELLA VALLEY LAND CO, described as follows:

Assessor's Parcel Number 612081069-7

IN THE CITY OF INDIO

See Page 2 Entitled Legal Description

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

Executed on

County of Riverside

MAY 1, 2018

On June 19, 2018, before me, Peter Aldana, Assessor, Clerk-Recorder, personally appeared Jon Christenson, Treasurer and Tax Collector for Riverside County, 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 executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed 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. Peter Aldana, Assessor, Clerk Recorder

Deputy

Seal

§§3708 & 3804 R&T Code

TDL 8-19 (6-97)

Page 2 . .

612081069-7

LEGAL DESCRIPTION

LOT E OF TRACT 31074, IN THE CITY OF INDIO, RIVERSIDE COUNTY, CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 354, PAGES 67 THROUGH 68, INCLUSIVE OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

der: 630501 c: RV:2018 00256533

Page 2 of 2

Requested By: Idarko, Printed: 10/15/2018 10:43 AM

IN THE CITY OF INDIO, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

TRACT 31074

BEING A SUBDIVISION OF OF A PORTION OF THE SOUTH 1/2 OF THE SOUTH 1/2 OF LOT 6, COACHELLA VALLEY LAND AND WATER COMPANY, SUBDIVISION OF SECTION 25, TOWNSHIP 5 SOUTH, RANGE 7 EAST, SAN BERNARDINO BASE AND MERIDIAN, AS SHOWN BY MAP ON FILE IN BOOK 4 PAGE 53 OF MAPS, RECORDS OF RIVERSIDE COUNTY, STATE OF CALIFORNIA.

L.D.D.C.

DENNIS C. FARNSWORTH R.C.E. 31653

SEPTEMBER 2003

2004-0305433 GRIGINAL SHEET 1 OF 2 SHEETS RECORDER'S STATEMENT

FILED THIS 2 DAY OF AT A BOOK 35-4 W

CITY CLERK, CITY OF INDIO

1900 - 1900 - 1900 CON GARY L. CHISO, COUNTY ASSESSOR-CLERK-RECORDER BY

SUBDIVISION GUARANTEE FIRST AMERICAN TITLE

OWNER'S STATEMENT MERISATION DISCUSSIONAL OF THE OWNERS OF THE LAND RICLASED WITHIN THE SUBDINISON SHOWN HERE ARE THE OWNER FERSON WHITE WORK HORSELD HAT HE ARE THE OWNEY FERSONS WHOSE CONSOUTH HE MADERNESS AND THE STATE TO SAID LAND AND HAM HE CONSOUTH TO THE MADING AND RECOGNING HAM BE CONSTRUCTED BOTTOTTHE MADING HAD RECOGNING THE OSTROCHEM BOTTOTHE MADING FOR HAMPING OF THIS SUBDIVISION HAM AS SHOWN WITHIN THE OSTROCHEM BOTTOTHE MADING FOR HAMPING FOR THE PUBLIC USE FOR STREET AND PUBLIC UTILITY PURPOSES. LOTS "C" AND "D". WE ALSO HEREBY DEDICARE THE 19" PLE FOR PUBLIC UTILITY PURPOSES.

WE FURTHER MERCETY DEDICATE TO THE PUBLIC USE AN EXSUENT FOR PUBLIC UTILITY PURPOSES OVER LOTS "A" AND "B" AS SHOWN ON THIS MAP FOR THE EXCLANTION LATTING REPAIR, REPLACEMENT AND REMOVAL OF PUBLIC UTILITY FACURES AND APPUREDMENCS. WITH THE REGIT OF MORESS AND ESPESS OVER AND WITHOUT SAME FOR MAINTENANCE, DIFERSTION AND EMERGENCY VERGLES.

WE HEREBY RETAIN FOR PRIVATE USE AND THE SOLE BENEFIT OF CURSELVES OUR SUCCESSORS, ASSIGNESS, AND LOT OWNERS WITHIN THIS TRACT LOTS "A" AND "B".

WE HEREBY RESERVE LOT "E" AND THE 20" DRAINAGE EASEMENT FOR RETERVION BASIN AND DRAINAGE PURPOSES.

COACHELLA VALLEY LAND COMAPNY, INC., A CALFORNIA CORPORATION

DANNEL H. WORKEAN, MESDENT

HOTARY ACKNOWLEDGMENT

STATE OF CALFORNIA)

COUNTY OF RIVERSIDE

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MY PHINOPAL PLACE OF BUSINESS IS IN RIVERBILD COUNTY.

MY COMMISSION EXPIRES 3-10-08

CITY COUNCIL STATEMENT

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ENGINEER'S STATEMENT
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CARED: 4/23/04 BY: The PROPERTY OF MORE JOHN A CONTROL MCT 64585 EXPRESS 8/50/07

I AM SATISFIED THAT SAID MAP IS TECHNICALLY CORRECT.

DATED: 9-12-04

DEPUTY OF ENGINEER OUT OF MICE, CHISER, LS 8872



TAX COLLECTOR'S CERTIFICATE

I MERRIT CERTIFY THAT ACCORDING TO THE RECORDS OF THIS OFFICE, AS

OF THIS DATE, PRIEM AND OLDING AGAINST THE PROPERTY SHOWN OF THE

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DATEL COMMITTAX COLLECTOR

COUNTY TAX COLLECTOR

Br. Berin Greated

CITY CLERK'S STATEMENT
LEWING HERMANDEZ CHY CLERK OF THE CITY OF MORD, CAUFTONIA, HEREBY
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DAY FOR ANNO. 2-3, May 9: 00. OFFICE OF THE CITY OF HODIO.

CITY PLANNING COMMISSION'S STATEMENT
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TAX BOND CERTIFICATE

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INTERSEE, CALIFORNIA, CONDITIONED UPON THE PARKET OF THE CALIFORNIA

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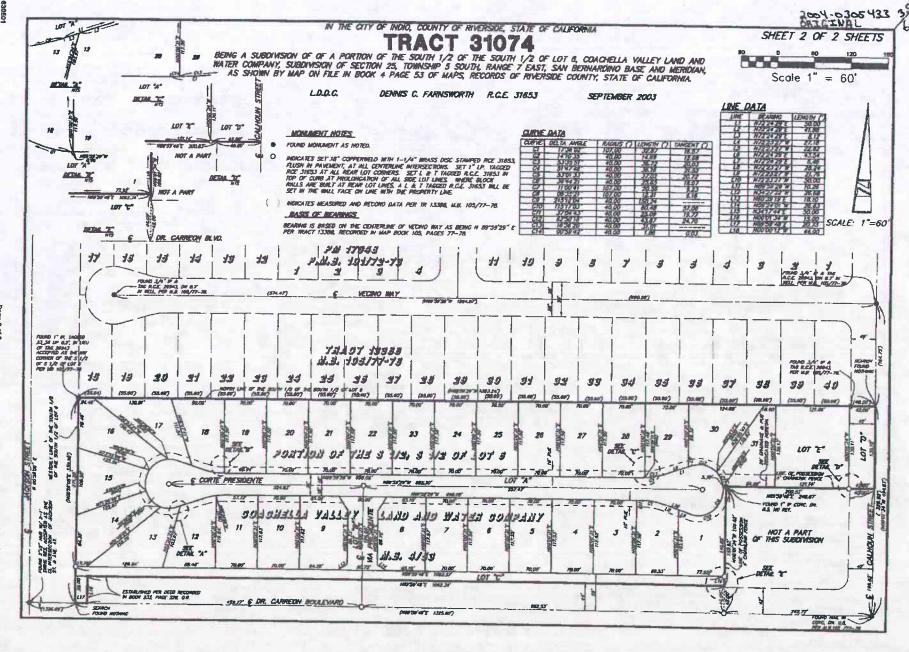
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PAUL MODORNELL COUNTY TAX COLLECTOR

DEPUTY

BY Sumice Dehard



IRREVOCABLE ESCROW INSTRUCTIONS TO ESCROW HOLDER

TO: First American Title

3625 Fourteenth Street Riverside, CA 92501

(Escrow Holder)

RECEIVED
Department of Real Estate

RE:

Calhoun Village

(Lots 1 through 31, inclusive, and Lots A, B and E of Tract 31074\$ubs-North

With respect to the above-referenced project and tract, the undersigned as the record owner, developer and "Declarant" under that certain Declaration of Covenants, Conditions and Restrictions for Calhoun Village Homeowners Association, hereby irrevocably instructs First American Title as escrow holder to retain the enclosed Grant Deed conveying Common Area Lots A, B and E of Tract 31074 to the Calhoun Village Homeowners Association and to record said Grant Deed concurrent with the first conveyance of a Lot within the Calhoun Village project. Notwithstanding the foregoing, Escrow Holder shall record the Grant Deed only in the event the property described in the Grant Deed is free of all monetary liens and encumbrances (including mechanics' liens) at the time of recording and a Notice of Completion, as defined in Section 3093 of the California Civil Code, covering all Improvements on the Common Area has been recorded or the subdivider has submitted a bond or other security acceptable to the California Department of Real Estate. If the statutory period for mechanic's and materialmen's liens has not expired at the time of conveyance, a policy of title insurance, which lists all encumbrances and includes an endorsement against future liens, shall be issued to the Association.

This instruction may not be unilaterally modified or rescinded by the undersigned. Any modification will require the prior written consent of the California Department of Real Estate.

DATED: My 12 2004 COACHELLA VALLEY LAND COMPANY, INC., a California corporation

By:

Instructions accepted by Escrow Holder: //ean Clean
Escrow Officer

RECORDING REQUESTED BY: WHEN RECORDED RETURN TO: Calhoun Village Homeowners Association c/o 7533 Redwood Blvd. Novato, CA 94945 Space above this line for Recorder's Use **GRANT DEED** Documentary Transfer Tax is: \$ unincorporated area City of Indio Parcel No. □ computed on full value of interest or property conveyed, or computed on full value of liens or encumbrances remaining at time of sale FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, COACHELLA VALLEY LAND COMPANY, INC., hereby GRANT(S) to CALHOUN VILLAGE HOMEOWNERS ASSOCIATION, a California nonprofit mutual benefit corporation, the following described real property in the County of Riverside, State of California: SEE EXHIBIT "A" ATTACHED HERETO AND INCORPORATED HEREIN BY REFERENCE Dated: May 12, 2004. COACHELLA VALLEY LAND COMPANY, INC. Dated: My MAIL TAX STATEMENTS TO: Calhoun Village Homeowners Association, c/o 7533 Redwood Blvd. Novato, CA 94945

> We hereby certify this to be a true and correct copy First Amen() or Fit's Insurance Company

ACKNOWLEDGMENT

	A STATE OF THE STA	
STATE OF California)	
COUNTY OF Reversile) ss.	
On May 2, 2004, before me,	, Kin Suly a Notary Public	o in
and for said state, personally appear	me on the hasis of satisfactory evidence) to be	the
(ne/she/they executed the same in his/her/t	d to the within instrument and acknowledged to me their authorized capacity(ies), and that by his/her/th	1077
acted, executed the instrument.	n(s), or the entity upon behalf of which the person	ı(s)
WITNESS my hand and official seal.	I'M CAMPA	
mal Inha	Commission # 1452676 Notary Public - Collomia	
Signature	Riverside County My Comm. Expires Nov 23, 2007	

(Seal)

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss)

On May 17, 2004 before me, Notary Public, personally appeared 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 executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public

Commission # 1452676
Notary Public - Colifornia
Riverside County
My Comm. Expires Nov 23, 2007

EXHIBIT "A"

That certain real property situated in the City of Indio, County of Riverside, State of California, more particularly described as follows:

Lettered Lots A, B and E of Tract 31074, as shown by Map on file in Book 354, Pages 67 and 68, inclusive, of Maps, Records of Riverside County, California.

SUBJECT TO:

- 1. Declaration of Covenants, Conditions and Restrictions for Calhoun Village Homeowners Association, recorded on ______ as Instrument No. _____ of the Official Records of Riverside County, California, and any amendments thereto, and
- 2. Covenants, conditions, restrictions and easements, reservations, rights and rights-of-way of record.

PRELIMINARY PUBLIC REPORT COMMON INTEREST SUBDIVISION

RE 603C (Rev. 10/02)

SUBDIVISION II	POT DRE Use Only DRE FILE NUMBER 80 LA = S0	
NAME OF APPLICANT COACHELLA VALLEY LAND COMPANY, INC		
TRACT NO. 31074		NOV 2.0 2003
ADVERTISING NAME (IF DIFFERENT) "CALHOUN VILLAGE	COUNTY	NOV 1 9 2004

CONSUMER INFORMATION

General information

- This report is not an approval or disapproval of this subdivision.
- This report is for your information only and the information included may change substantially in the future.
- The Department of Real Estate has not yet made a substantive review of this proposed subdivision.
- Under this Preliminary Public Report, seller is authorized only to advertise and take reservations.
- The seller may not negotiate the sale or lease of lots or units with you until a CONDITIONAL or FINAL PUB-LIC REPORT has been issued by the Department of Real Estate (DRE).
- You have no assurance that this subdivision or promised improvements will ever be completed or will ever comply with DRE requirements.

Reservations Are Non-Binding

- The reservation form is not a contract to purchase or sell a lot or unit,
- You or the seller may cancel the reservation at any time.
- The seller may ignore the reservation and sell the property to someone else.
- If you or the seller cancel the reservation, the subdivider must return your deposit to you or arrange for the escrow depository to do so. Alternatively, you may go directly to the escrow depository to obtain a refund of your deposit.

Conditional or Final Public Report

The conditional or final public report will tell you much more vital information about the property than is contained in this Preliminary Public Report. It is important that you read and consider all this information before deciding to purchase.

Financing Programs

Financing programs which are being advertised at present could differ substantially from those approved by the Department of Real Estate at the time of issuance of the final public report. It is important that you read and fully understand all loan documents before you actually obligate yourself to purchase.

Any Price Quotations Are Subject to Change

Any reservation form you sign does not guarantee a price for the property considered nor does it require the seller to sell the property to you at prices discussed at the time you signed the form. To actually buy the property, you must still sign a purchase contract which can only be done after you have received a copy of the final public report.

Location and Size

This subdivision contains 31 lots/units on 7.70 acres and is located at:

CALHOUN STREET AND DR. CARREON BOULEVARD WITHIN THE CITY OF INDIO, COUNTY OF RIVERSIDE.

Type of Subdivision
PLANNED DEVELOPMENT

Interest to be Conveyed

YOU WILL RECEIVE FEE TITLE TO A SPECIFIED LOT TOGETHER WITH A MEMBERSHIP IN THE HOMEOWNERS ASSOCIATION AND RIGHTS TO USE THE COMMON AREA(S).

Common Areas and Facilities

This is a common interest subdivision. Condominiums, community apartments, planned developments, and stock cooperatives are called common interest subdivisions because they include common areas and/or facilities which are owned and/or operated by an owners' association.

You will be required to pay monthly homeowners' association assessments to support the common facility.

NOTE: It is very important that you read the "Common Interest General Information" on page 3. It tells you vital information concerning the homeowners' association, governing body, governing documents, and assessments.

No Discrimination Allowed

Section 51 of the Civil Code, the Unruh Civil Rights Act, makes it unlawful for sellers of real property and real estate licensees, among others, to discriminate on the basis of sex, race, color, religion, ancestry, national origin, age, or sexual preference.

Reservation Money Handling

If you reserve a lot/unit, the seller must place all funds received from you, together with completed and executed Reservation Instrument (RE 612) and Reservation Deposit

Handling Agreement (RE 612A), in a neutral escrow depository at:

FIRST AMERICAN TITLE COMPANY

44901 VILLAGE COURT, SUITE A

PALM DESERT, CALIFORNIA 92260

subject to the conditions of the reservation instrument. If you cancel the reservation, you may go to the seller or directly to the escrow depository to get a full refund of your deposit.

Preliminary Public Report Termination

This Preliminary Public Report expires one year from the date of issuance unless:

- a final public report is issued (issuance of a final public report voids this Preliminary Public Report unless it is an overall preliminary covering other tracts for which final reports are not yet issued), or
- a renewal of the preliminary public report is granted within that year, or
- expiration may be sooner if the seller does not currently hold title to the property.

Reviewed By:

Report Problems To: The Department of Real Estate

If you believe the seller has not complied with legal requirements or has acted in a discriminatory manner, you should contact the nearest subdivision office of the California Department of Real Estate,

Subdivisions Office - North 2201 Broadway P.O. Box 187005 Sacramento, CA 95818-7005 Telephone: (916) 227-0813

Subdivisions Office - South 320 W. 4th Street, Suite 350 Los Angeles, CA 90013-1105 Telephone: (213) 576-6983

Subdivider Notice

A COPY OF THIS PUBLIC REPORT AND A STATE-MENT ADVISING THAT A COPY OF THE REPORT MAY BE OBTAINED FROM THE OWNER, SUBDI-VIDER, OR AGENT AT ANY TIME UPON ORAL OR WRITTEN REQUEST, SHALL BE POSTED IN A CON-SPICUOUS PLACE AT ANY OFFICE WHERE SALES OR LEASES OR OFFERS TO SELL OR LEASE INTERESTS WITHIN THIS SUBDIVISION ARE REGULARLY MADE. [Business and Professions Code Section 11018.1(6)]

COMMON INTEREST DEVELOPMENT GENERAL INFORMATION

Common Interest Development

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

Governing Instruments

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

Assessments

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

Common Facilities

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

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

Subdivider Control

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

Cooperative Living

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

Informational Brochure

The Department of Real Estate publishes the 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 obtain a free copy of this brochure, please send your request to:

Book Orders
Department of Real Estate
P.O. Box 187006
Sacramento, CA 95818-7006

Department of Real Estate of the State of California

PLANNED DEVELOPMENT FINAL SUBDIVISION PUBLIC REPORT

In the matter of the application of

COACHELLA VALLEY LAND COMPANY, INC. A CALIFORNIA CORPORATION

FILE NO. 114080LA-F00

ISSUED:

JUNE 15, 2004

EXPIRES:

JUNE 14, 2009

for a Final Subdivision Public Report on

TRACT NO. 31074
"CALHOUN VILLAGE"

RIVERSIDE COUNTY, CALIFORNIA

JOHN R. LIBERATOR
Acting Real Estate Commissioner

by Matt
Deputy Commissioner

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, 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 Department of Real Estate.

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

COMMON INTEREST DEVELOPMENT GENERAL INFORMATION

Common Interest Development

The project described in the attached Subdivision Public Report is known as a common-interest development. Read the Public Report carefully for more information about the type of development. The development includes common areas and facilities which will be owned and/or operated by an 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, enforce-able 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".

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Book Orders.
Department of Real Estate
P.O. Box 187006
Sacramento, CA 95818-7006

SPECIAL NOTES

THIS REPORT COVERS ONLY LOTS 1 THROUGH 31 OF TRACT NO. 31074.

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

THIS PROJECT IS A COMMON INTEREST SUBDIVISION OF THE TYPE REFERRED TO AS A PLANNED DEVELOPMENT. IT INCLUDES COMMON AREAS, AMENITIES AND FACILITIES WHICH WILL BE MAINTAINED AND OPERATED BY AN INCORPORATED OWNERS ASSOCIATION.

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 MEETINGS.

SINCE THE COMMON AREA IMPROVEMENTS, AMENITIES AND FACILITIES WILL BE MAINTAINED BY AN ASSOCIATION OF HOMEOWNERS, 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 PUBLIC REPORT FOR THIS SUBDIVISION. (REGULATIONS 2792.17 AND 2792.19) THE ASSOCIATION MUST ALSO PREPARE AND DISTRIBUTE TO ALL HOMEOWNERS A BALANCE SHEET AND INCOME STATEMENT.

THE SUBDIVIDER MUST PAY ASSESSMENTS TO THE HOMEOWNERS ASSOCIATION FOR ALL UNSOLD LOTS IN THIS PROJECT. THE PAYMENTS MUST COMMENCE ON THE FIRST DAY OF THE MONTH AFTER SUBDIVIDER CONVEYS THE FIRST SUBDIVISION INTEREST IN THIS PROJECT. (REGULATIONS 2792.9 AND 2792.16)

THE SUBDIVIDER MUST MAINTAIN AND DELIVER TO THE HOMEOWNERS 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 HOMEOWNERS ASSOCIATION TO PERFORM ITS DUTIES AND RESPONSIBILITIES. (REFER TO SECTION 11018.5 OF THE BUSINESS AND PROFESSIONS CODE AND SECTION 1363 OF THE CIVIL CODE.)

THE SUBDIVIDER MUST PROVIDE YOU WITH A COPY OF THE ARTICLES OF INCORPORATION, BYLAWS, AND COVENANTS, CONDITIONS AND RESTRICTIONS PRIOR TO 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. (SECTION 11018.6 BUSINESS AND PROFESSIONS CODE)

THE SUBDIVIDER STATED HE WILL FURNISH THE CURRENT BOARD OF OFFICERS OF THE HOMEOWNERS ASSOCIATION AND EACH INDIVIDUAL PURCHASER WITH THE DEPARTMENT OF REAL ESTATE REVIEWED ASSOCIATION BUDGET.

THE SUBDIVIDER ESTIMATES ALL COMMON AREA IMPROVEMENTS, AMENITIES, AND FACILITIES IN THE TOTAL PROJECT WILL BE COMPLETED BY APPROXIMATELY SEPTEMBER 2004.

NO ESCROWS WILL CLOSE IN THIS PROJECT UNTIL ALL COMMON AREA IMPROVEMENTS, AMENITIES AND FACILITIES HAVE BEEN COMPLETED, A NOTICE OF COMPLETION HAS BEEN FILED AND ALL CLAIM OF LIENS HAS EXPIRED, OR A TITLE POLICY IS ISSUED TO THE ASSOCIATION CONTAINING AN ENDORSEMENT AGAINST ALL CLAIM OF LIENS. (SECTION 11018.5 OF THE BUSINESS AND PROFESSIONS CODE).

IF YOU PURCHASE FIVE OR MORE SUBDIVISION INTERESTS 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 SUBDIVISION PUBLIC REPORT BEFORE YOU CAN OFFER THE INTERESTS FOR SALE OR LEASE.

WARNING: 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, ATTORNEY'S FEES OR OTHER CHARGES, PROVIDED BY THE RESTRICTIONS OR OTHER MANAGEMENT DOCUMENTS ON THE LOT AS OF THE DATE THE STATEMENT WAS ISSUED.

NOTE: IF YOU FORGET TO DO THIS, IT MAY COST YOU A PENALTY OF \$500.00 - - PLUS ATTORNEY'S FEES AND DAMAGES (SEE CIVIL CODE SECTION 1368).

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

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 BUYER OR THE BUYER'S DESIGNEE UNDER TERMS MUTUALLY AGREEABLE TO THE PROSPECTIVE BUYER AND SELLER.

IF YOU FAIL TO CLOSE ESCROW PURSUANT TO THE TERMS OF THE PURCHASE AGREEMENT, THE SELLER MAY, IN THE SELLER'S SOLE DISCRETION, REQUIRE THAT YOU PAY TO THE SELLER, TO DEFRAY THE SELLER'S COSTS OF CARRYING THE PROPERTY, THE SUM OF \$200.00 PER DAY FOR EACH DAY CLOSE OF ESCROW IS EXTENDED BEYOND THE ORIGINALLY SCHEDULED DATE FOR CLOSE OF ESCROW ESTABLISHED PURSUANT TO THE TERMS OF THE PURCHASE AGREEMENT.

INTERESTS TO BE CONVEYED

You will receive fee title to a specified lot together with a membership in the "Calhoun Village Homeowners Association" and rights to use the common area.

LOCATION AND SIZE

This subdivision is located on the north side of Dr. Carreon Boulevard and west of Calhoun Street within the city limits of Indio. Prospective purchasers should acquaint themselves with the kinds of city services available.

This is a single-phase project which consists of approximately 7.70 acres divided into 31 residential lots in addition to the common area which consists of Lots A and B (private streets) and Lot E (retention basin).

MANAGEMENT AND OPERATION

The Calhoun Village Homeowners Association, of which you become a member at time of purchase, manages, maintains, and operates the common area(s) in accordance with the Covenants, Conditions and Restrictions, Articles of Incorporation, and the Bylaws.

MAINTENANCE AND OPERATIONAL EXPENSES

The subdivider has submitted a budget for the management, maintenance and operation of the common areas and for long-term reserves. This budget was reviewed by the Department of Real Estate in February 2004. You should obtain a copy of this budget from the subdivider. Under this budget, the monthly assessment against each subdivision interest will be \$60.32 of which \$3.63 is a monthly contribution to long-term reserves and is not to pay for current management, maintenance and operating expenses.

The utility rates used for the calculations within this budget are based on information available at the time of the budget review date (as shown above). Increases in regular assessments or special 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 homeowner assessments.

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

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.

Monthly assessments will commence on all lots in this project on the first day of the month following the conveyance of the first subdivision interest in this project.

The remedies available to the association against owners who are delinquent in the payment of assessments are set forth in the Restrictions. These remedies are available against the subdivider as well as against other owners.

The subdivider has posted a bond 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.

EASEMENTS

Easements for utilities and other purposes are shown in the Title Report and on the Subdivision Map filed in the Office of the Riverside County Recorder, in Book 354, Pages 67 and 68 of Maps.

RESTRICTIONS

This subdivision is subject to Restrictions recorded in the Office of the Riverside County Recorder on May 27, 2004 as Instrument No. 0400325.

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

USES AND ZONING

North: Single family residential

East: Vacant/church

South: Vacant West: School

SURROUNDING PROPERTY USES

The following significant surrounding property uses exist within or near this development:

Indian Palms Country Club and Golf Course - 1 mile southwest; Plantation Golf Course - 2½ miles southwest; County Fairgrounds - ½ mile west; South Jackson Park/Davis Sports Complex - ½ mile north.

HAZARDS

The following hazards exist within or near this development:

Highway $111 - \frac{1}{2}$ mile north; Highway $86 - \frac{1}{2}$ mile east; Union Pacific Railroad tracks $-\frac{1}{2}$ mile northeast; Interstate 10 Freeway -1 mile northeast; and Coachella Valley Storm Water Channel -1 mile northeast.

At the time this Public Report was issued, information regarding whether all or portions of this subdivision are located within certain natural hazard areas was not yet available to the subdivider. You should ask the subdivider for updated information before obligating yourself to purchase.

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 total tax.

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.

Your Policy of Title Insurance will be issued subject to the exception of any supplemental taxes assessed pursuant to Chapter 498, Statutes of 1983 of the State of California.

The new valuation of the lot purchased by you, as discussed above, will be placed on the assessment roll and added taxes will be due and shall be collected upon the close of escrow and as set forth below.

The Tax Collector will issue a supplemental tax bill to the purchaser showing the amount of supplemental taxes due. It is your responsibility to pay these supplemental bills directly to the Tax Collector. The taxes are due when the supplemental bills are mailed and are delinquent if not paid by the last day of the following month. Depending on the time of year that your escrow closes, you may receive one or two such supplemental tax bills after the close of escrow by which the tax collector will assess the new."full cash value" of your lot and collect the tax due as a result thereof.

ASSESSMENTS

This subdivision lies within the boundaries of the Coachella Valley Recreation and Park 01-1 District and is subject to any taxes, assessments and obligations thereof. This special assessment will be included on your property tax bill.

CONDITIONS OF SALE

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

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

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

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

A 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 of the loan 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 sizeable 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.

A 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.

A 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.

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 SIGNING, YOU SHOULD READ AND THOROUGHLY UNDERSTAND ALL 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 Sections 11013.4 and 11013.4(a) of the Business and Professions Code.)

If the escrow has not closed on your lot within one year of the date of your purchase agreement, 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 CONDITIONS

Information concerning soils and geologic information is available at: City of Indio, Engineering Services, 100 Civic Center Mall, Indio, California 92201.

GEOLOGIC CONDITIONS

THE UNIFORM BUILDING CODE, APPENDIX CHAPTER 33, PROVIDES FOR LOCAL BUILDING OFFICIALS TO EXERCISE PREVENTIVE MEASURES DURING GRADING TO ELIMINATE OR MINIMIZE DAMAGE FROM GEOLOGIC HAZARDS SUCH AS LANDSLIDES, FAULT MOVEMENTS, EARTHQUAKE SHAKING, RAPID EROSION OR SUBSIDENCE. 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.

STREETS AND ROADS

The private streets within this project will be maintained by the homeowners 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

This project is in the Desert Sands Unified School District (760) 777-4200. This district advises the schools initially available to this subdivision are:

Roosevelt Elementary School (K-5) (760) 775-3860 83-200 Dr. Carreon Boulevard Indio, CA 92201

Jefferson Middle School (6-8) (760) 863-3660 83-089 Highway 111 Indio, CA 92201

Indio High School (9-12) (760) 775-3550 81750 Avenue 46 Indio, CA 92201 The 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 fees purchasers are encouraged to contact the above school district.

CLOSING STATEMENT

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 call:

Department of Real Estate 320 W. Fourth Street, Suite 350 Los Angeles, CA 90013-1105 (213) 576-6983

PRELIMINARY PUBLIC REPORT COMMON INTEREST SUBDIVISION

RE 603C (Rev. 10/02)

SUBDIVISION IN	NFORMATION	For DRE Use Only
NAME OF APPLICANT COACHELLA VALLEY LAND COMPANY, INC	DRE FILE NUMBER 114080 LA = SO	
TRACT OR MAP NAME AND NUMBER TRACT NO. 31074		NOV 2.0 2003
ADVERTISING NAME (IF DIFFERENT) "CALHOUN VILLAGE	COUNTY	NOV 1 9 2004

CONSUMER INFORMATION

General Information

- This report is not an approval or disapproval of this subdivision.
- This report is for your information only and the information included may change substantially in the future.
- The Department of Real Estate has not yet made a substantive review of this proposed subdivision.
- Under this Preliminary Public Report, seller is authorized only to advertise and take reservations.
- The seller may not negotiate the sale or lease of lots or units with you until a CONDITIONAL or FINAL PUB-LIC REPORT has been issued by the Department of Real Estate (DRE).
- You have no assurance that this subdivision or promised improvements will ever be completed or will ever comply with DRE requirements.

Reservations Are Non-Binding

- The reservation form is not a contract to purchase or sell a lot or unit,
- You or the seller may cancel the reservation at any time.
- The seller may ignore the reservation and sell the property to someone else.
- If you or the seller cancel the reservation, the subdivider must return your deposit to you or arrange for the escrow depository to do so. Alternatively, you may go directly to the escrow depository to obtain a refund of your deposit.

Conditional or Final Public Report

The conditional or final public report will tell you much more vital information about the property than is contained in this Preliminary Public Report. It is important that you read and consider all this information before deciding to purchase.

Financing Programs

Financing programs which are being advertised at present could differ substantially from those approved by the Department of Real Estate at the time of issuance of the final public report. It is important that you read and fully understand all loan documents before you actually obligate yourself to purchase.

Any Price Quotations Are Subject to Change

Any reservation form you sign does not guarantee a price for the property considered nor does it require the seller to sell the property to you at prices discussed at the time you signed the form. To actually buy the property, you must still sign a purchase contract which can only be done after you have received a copy of the final public report.

Location and Size

This subdivision contains 31 lots/units on 7.70 acres and is located at :

CALHOUN STREET AND DR. CARREON BOULEVARD WITHIN THE CITY OF INDIO, COUNTY OF RIVERSIDE.

Type of Subdivision
PLANNED DEVELOPMENT

Interest to be Conveyed

YOU WILL RECEIVE FEE TITLE TO A SPECIFIED LOT TOGETHER WITH A MEMBERSHIP IN THE HOMEOWNERS ASSOCIATION AND RIGHTS TO USE THE COMMON AREA(S).

Common Areas and Facilities

This is a common interest subdivision. Condominiums, community apartments, planned developments, and stock cooperatives are called common interest subdivisions because they include common areas and/or facilities which are owned and/or operated by an owners' association.

You will be required to pay monthly homeowners' association assessments to support the common facility.

NOTE: It is very important that you read the "Common Interest General Information" on page 3. It tells you vital information concerning the homeowners' association, governing body, governing documents, and assessments.

No Discrimination Allowed

Section 51 of the Civil Code, the Unruh Civil Rights Act, makes it unlawful for sellers of real property and real estate licensees, among others, to discriminate on the basis of sex, race, color, religion, ancestry, national origin, age, or sexual preference.

Reservation Money Handling

If you reserve a lot/unit, the seller must place all funds received from you, together with completed and executed Reservation Instrument (RE 612) and Reservation Deposit

Handling Agreement (RE 612A), in a neutral escrow depository at:

FIRST AMERICAN TITLE COMPANY

44901 VILLAGE COURT, SUITE A

PALM DESERT, CALIFORNIA 92260

subject to the conditions of the reservation instrument. If you cancel the reservation, you may go to the seller or directly to the escrow depository to get a full refund of your deposit.

Preliminary Public Report Termination

This Preliminary Public Report expires one year from the date of issuance unless:

- a final public report is issued (issuance of a final public report voids this Preliminary Public Report unless it is an overall preliminary covering other tracts for which final reports are not yet issued), or
- a renewal of the preliminary public report is granted within that year, or
- expiration may be sooner if the seller does not currently hold title to the property.

Reviewed By:

Report Problems To: The Department of Real Estate

If you believe the seller has not complied with legal requirements or has acted in a discriminatory manner, you should contact the nearest subdivision office of the California Department of Real Estate.

Subdivisions Office - North 2201 Broadway P.O. Box 187005 Sacramento, CA 95818-7005 Telephone: (916) 227-0813

Subdivisions Office - South 320 W. 4th Street, Suite 350 Los Angeles, CA 90013-1105 Telephone: (213) 576-6983

Subdivider Notice

A COPY OF THIS PUBLIC REPORT AND A STATE-MENT ADVISING THAT A COPY OF THE REPORT MAY BE OBTAINED FROM THE OWNER, SUBDI-VIDER, OR AGENT AT ANY TIME UPON ORAL OR WRITTEN REQUEST, SHALL BE POSTED IN A CON-SPICUOUS PLACE AT ANY OFFICE WHERE SALES OR LEASES OR OFFERS TO SELL OR LEASE INTERESTS WITHIN THIS SUBDIVISION ARE REGULARLY MADE. [Business and Professions Code Section 11018.1(b)]

COMMON INTEREST DEVELOPMENT GENERAL INFORMATION

Common Interest Development

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

Governing Instruments

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

Assessments

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

Common Facilities

A homeowner association provides a vehicle for the ownership and use of recreational and other common facilities which were designed to attract you to buy in this development. The association also provides a means to accomplish architectural control and to provide a base for homeowner interaction on a variety of issues. The purchaser of an interest in a common-interest development should contemplate active participation in the affairs of the association. He or she should be willing to serve on the board of directors or on committees created by the board. In short, "they" in a common interest development is "you." Unless you serve as a member of the governing board or on a committee appointed by the board, your control of the operation of the common areas and facilities is limited to your vote as a member of the association. There are actions that can be taken by the governing body without a vote of the members of the association which can have a significant impact upon the quality of life for association members.

Subdivider Control

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

Cooperative Living

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

Informational Brochure

The Department of Real Estate publishes the 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 obtain a free copy of this brochure, please send your request to:

Book Orders
Department of Real Estate
P.O. Box 187006
Sacramento, CA 95818-7006

Department of Real Estate of the State of California

PLANNED DEVELOPMENT FINAL SUBDIVISION PUBLIC REPORT

In the matter of the application of

COACHELLA VALLEY LAND COMPANY, INC. A CALIFORNIA CORPORATION

FILE NO. 114080LA-F00

ISSUED:

JUNE 15, 2004

EXPIRES:

JUNE 14, 2009

for a Final Subdivision Public Report on

TRACT NO. 31074
"CALHOUN VILLAGE"

RIVERSIDE COUNTY, CALIFORNIA

JOHN R. LIBERATOR
Acting Real Estate Commissioner

by The matt

Deputy Commissioner

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, 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 Department of Real Estate.

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

FILE NO. 114080LA-F00

COMMON INTEREST DEVELOPMENT GENERAL INFORMATION

Common Interest Development

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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, enforce-able 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".

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Subdivider Control

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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)]

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Book Orders
Department of Real Estate
P.O. Box 187006
Sacramento, CA 95818-7006

Department of Real Estate - RE 646 (Rev. 1/97)

SPECIAL NOTES

THIS REPORT COVERS ONLY LOTS 1 THROUGH 31 OF TRACT NO. 31074.

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

THIS PROJECT IS A COMMON INTEREST SUBDIVISION OF THE TYPE REFERRED TO AS A PLANNED DEVELOPMENT. IT INCLUDES COMMON AREAS, AMENITIES AND FACILITIES WHICH WILL BE MAINTAINED AND OPERATED BY AN INCORPORATED OWNERS ASSOCIATION.

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 MEETINGS.

SINCE THE COMMON AREA IMPROVEMENTS, AMENITIES AND FACILITIES WILL BE MAINTAINED BY AN ASSOCIATION OF HOMEOWNERS, 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 PUBLIC REPORT FOR THIS SUBDIVISION. (REGULATIONS 2792.17 AND 2792.19) THE ASSOCIATION MUST ALSO PREPARE AND DISTRIBUTE TO ALL HOMEOWNERS A BALANCE SHEET AND INCOME STATEMENT.

THE SUBDIVIDER MUST PAY ASSESSMENTS TO THE HOMEOWNERS ASSOCIATION FOR ALL UNSOLD LOTS IN THIS PROJECT. THE PAYMENTS MUST COMMENCE ON THE FIRST DAY OF THE MONTH AFTER SUBDIVIDER CONVEYS THE FIRST SUBDIVISION INTEREST IN THIS PROJECT. (REGULATIONS 2792.9 AND 2792.16)

THE SUBDIVIDER MUST MAINTAIN AND DELIVER TO THE HOMEOWNERS 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 HOMEOWNERS ASSOCIATION TO PERFORM ITS DUTIES AND RESPONSIBILITIES. (REFER TO SECTION 11018.5 OF THE BUSINESS AND PROFESSIONS CODE AND SECTION 1363 OF THE CIVIL CODE.)

THE SUBDIVIDER MUST PROVIDE YOU WITH A COPY OF THE ARTICLES OF INCORPORATION, BYLAWS, AND COVENANTS, CONDITIONS AND RESTRICTIONS PRIOR TO 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. (SECTION 11018.6 BUSINESS AND PROFESSIONS CODE)

THE SUBDIVIDER STATED HE WILL FURNISH THE CURRENT BOARD OF OFFICERS OF THE HOMEOWNERS ASSOCIATION AND EACH INDIVIDUAL PURCHASER WITH THE DEPARTMENT OF REAL ESTATE REVIEWED ASSOCIATION BUDGET.

THE SUBDIVIDER ESTIMATES ALL COMMON AREA IMPROVEMENTS, AMENITIES, AND FACILITIES IN THE TOTAL PROJECT WILL BE COMPLETED BY APPROXIMATELY SEPTEMBER 2004.

NO ESCROWS WILL CLOSE IN THIS PROJECT UNTIL ALL COMMON AREA IMPROVEMENTS, AMENITIES AND FACILITIES HAVE BEEN COMPLETED, A NOTICE OF COMPLETION HAS BEEN FILED AND ALL CLAIM OF LIENS HAS EXPIRED, OR A TITLE POLICY IS ISSUED TO THE ASSOCIATION CONTAINING AN ENDORSEMENT AGAINST ALL CLAIM OF LIENS. (SECTION 11018.5 OF THE BUSINESS AND PROFESSIONS CODE).

IF YOU PURCHASE FIVE OR MORE SUBDIVISION INTERESTS 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 SUBDIVISION PUBLIC REPORT BEFORE YOU CAN OFFER THE INTERESTS FOR SALE OR LEASE.

WARNING: 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, ATTORNEY'S FEES OR OTHER CHARGES, PROVIDED BY THE RESTRICTIONS OR OTHER MANAGEMENT DOCUMENTS ON THE LOT AS OF THE DATE THE STATEMENT WAS ISSUED.

NOTE: IF YOU FORGET TO DO THIS, IT MAY COST YOU A PENALTY OF \$500.00 - PLUS ATTORNEY'S FEES AND DAMAGES (SEE CIVIL CODE SECTION 1368).

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

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 BUYER OR THE BUYER'S DESIGNEE UNDER TERMS MUTUALLY AGREEABLE TO THE PROSPECTIVE BUYER AND SELLER.

IF YOU FAIL TO CLOSE ESCROW PURSUANT TO THE TERMS OF THE PURCHASE AGREEMENT, THE SELLER MAY, IN THE SELLER'S SOLE DISCRETION, REQUIRE THAT YOU PAY TO THE SELLER, TO DEFRAY THE SELLER'S COSTS OF CARRYING THE PROPERTY, THE SUM OF \$200.00 PER DAY FOR EACH DAY CLOSE OF ESCROW IS EXTENDED BEYOND THE ORIGINALLY SCHEDULED DATE FOR CLOSE OF ESCROW ESTABLISHED PURSUANT TO THE TERMS OF THE PURCHASE AGREEMENT.

INTERESTS TO BE CONVEYED

You will receive fee title to a specified lot together with a membership in the "Calhoun Village Homeowners Association" and rights to use the common area.

LOCATION AND SIZE

This subdivision is located on the north side of Dr. Carreon Boulevard and west of Calhoun Street within the city limits of Indio. Prospective purchasers should acquaint themselves with the kinds of city services available.

This is a single-phase project which consists of approximately 7.70 acres divided into 31 residential lots in addition to the common area which consists of Lots A and B (private streets) and Lot E (retention basin).

MANAGEMENT AND OPERATION

The Calhoun Village Homeowners Association, of which you become a member at time of purchase, manages, maintains, and operates the common area(s) in accordance with the Covenants, Conditions and Restrictions, Articles of Incorporation, and the Bylaws.

MAINTENANCE AND OPERATIONAL EXPENSES

The subdivider has submitted a budget for the management, maintenance and operation of the common areas and for long-term reserves. This budget was reviewed by the Department of Real Estate in February 2004. You should obtain a copy of this budget from the subdivider. Under this budget, the monthly assessment against each subdivision interest will be \$60.32 of which \$3.63 is a monthly contribution to long-term reserves and is not to pay for current management, maintenance and operating expenses.

The utility rates used for the calculations within this budget are based on information available at the time of the budget review date (as shown above). Increases in regular assessments or special 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 homeowner assessments.

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

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.

Monthly assessments will commence on all lots in this project on the first day of the month following the conveyance of the first subdivision interest in this project.

The remedies available to the association against owners who are delinquent in the payment of assessments are set forth in the Restrictions. These remedies are available against the subdivider as well as against other owners.

The subdivider has posted a bond 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.

EASEMENTS

Easements for utilities and other purposes are shown in the Title Report and on the Subdivision Map filed in the Office of the Riverside County Recorder, in Book 354, Pages 67 and 68 of Maps.

RESTRICTIONS

This subdivision is subject to Restrictions recorded in the Office of the Riverside County Recorder on May 27, 2004 as Instrument No. 0400325.

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

USES AND ZONING

North: Single family residential

East: Vacant/church

South: Vacant West: School

SURROUNDING PROPERTY USES

The following significant surrounding property uses exist within or near this development:

Indian Palms Country Club and Golf Course - 1 mile southwest; Plantation Golf Course - 2½ miles southwest; County Fairgrounds - ½ mile west; South Jackson Park/Davis Sports Complex - ½ mile north.

HAZARDS

The following hazards exist within or near this development:

Highway 111 - ½ mile north; Highway 86 - ½ mile east; Union Pacific Railroad tracks - ½ mile northeast; Interstate 10 Freeway - 1 mile northeast; and Coachella Valley Storm Water Channel - 1 mile northeast.

At the time this Public Report was issued, information regarding whether all or portions of this subdivision are located within certain natural hazard areas was not yet available to the subdivider. You should ask the subdivider for updated information before obligating yourself to purchase.

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 total tax.

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.

Your Policy of Title Insurance will be issued subject to the exception of any supplemental taxes assessed pursuant to Chapter 498, Statutes of 1983 of the State of California.

The new valuation of the lot purchased by you, as discussed above, will be placed on the assessment roll and added taxes will be due and shall be collected upon the close of escrow and as set forth below.

The Tax Collector will issue a supplemental tax bill to the purchaser showing the amount of supplemental taxes due. It is your responsibility to pay these supplemental bills directly to the Tax Collector. The taxes are due when the supplemental bills are mailed and are delinquent if not paid by the last day of the following month. Depending on the time of year that your escrow closes, you may receive one or two such supplemental tax bills after the close of escrow by which the tax collector will assess the new."full cash value" of your lot and collect the tax due as a result thereof.

ASSESSMENTS

This subdivision lies within the boundaries of the Coachella Valley Recreation and Park 01-1 District and is subject to any taxes, assessments and obligations thereof. This special assessment will be included on your property tax bill.

CONDITIONS OF SALE

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

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

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

<u>Due-On-Sale Clause</u>. 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 buyer. 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 the promissory note.

A 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 of the loan 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 sizeable 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.

A 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.

A 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.

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 SIGNING, YOU SHOULD READ AND THOROUGHLY UNDERSTAND ALL 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 Sections 11013.4 and 11013.4(a) of the Business and Professions Code.)

If the escrow has not closed on your lot within one year of the date of your purchase agreement, 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 CONDITIONS

Information concerning soils and geologic information is available at: City of Indio, Engineering Services, 100 Civic Center Mall, Indio, California 92201.

GEOLOGIC CONDITIONS

THE UNIFORM BUILDING CODE, APPENDIX CHAPTER 33, PROVIDES FOR LOCAL BUILDING OFFICIALS TO EXERCISE PREVENTIVE MEASURES DURING GRADING TO ELIMINATE OR MINIMIZE DAMAGE FROM GEOLOGIC HAZARDS SUCH AS LANDSLIDES, FAULT MOVEMENTS, EARTHQUAKE SHAKING, RAPID EROSION OR SUBSIDENCE. 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.

STREETS AND ROADS

The private streets within this project will be maintained by the homeowners 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

This project is in the Desert Sands Unified School District (760) 777-4200. This district advises the schools initially available to this subdivision are:

Roosevelt Elementary School (K-5) (760) 775-3860 83-200 Dr. Carreon Boulevard Indio, CA 92201

Jefferson Middle School (6-8) (760) 863-3660 83-089 Highway 111 Indio, CA 92201

Indio High School (9-12) (760) 775-3550 81750 Avenue 46 Indio, CA 92201 The 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 fees purchasers are encouraged to contact the above school district.

CLOSING STATEMENT

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 call:

Department of Real Estate 320 W. Fourth Street, Suite 350 Los Angeles, CA 90013-1105 (213) 576-6983

REQUESTED BY AND MAIL TO: TREASURER-TAX COLLECTOR STOP 1110 . JON CHRISTENSEN TAX COLLECTOR 4080 LEMON ST-4TH FLOOR RIVERSIDE, CALIFORNIA 92501

DRAGON'S DEN PROPERTIES LLC C/O SOKRAT ARZUMANYAN 1413 1/2 W KENNETH ROAD UNIT 10 GLENDALE, CA 91201

2018-0256533

06/26/2018 11:19 AM Fee: \$ 17.00

Recorded in Official Records County of Riverside Peter Aldana Assessor-County Clerk-Recorder

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TRA 007-067

Doc. Trans. Tax - computed on full value of property conveyed \$_

Jon Christensen, Tax Collector

TAX DEED TO PURCHASER OF TAX-DEFAULTED PROPERTY

On which the legally levied taxes were a lien for Fiscal Year _ 2011-2012 and for nonpayment were duly declared to be in default 2012-612081069-0000

Default Number

This deed, between the Tax Collector of RIVERSIDE County ("SELLER") and DRAGON'S DEN PROPERTIES LLC, A LTD LIABILITY CO ("PURCHASER") conveys to the PURCHASER free of all encumbrances of any kind existing before the sale, except those referred to in §3712 of the Revenue and Taxation Code, to the real property described herein which the SELLER sold to the PURCHASER at a public auction held on MAY 1, 2018 pursuant to a statutory power of sale in accordance with the provisions of Division 1, Part 6, Chapter 7, Revenue and Taxation Code, for the sum of \$26,800.00.

NO TAXING AGENCY objected to the sale.

In accordance with law, the SELLER, hereby grants to the PURCHASER that real property situated in said county, State of California, last assessed to COACHELLA VALLEY LAND CO, described as follows:

Assessor's Parcel Number 612081069-7

IN THE CITY OF INDIO

See Page 2 Entitled Legal Description

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

Executed on

County of Riverside MAY 1, 2018 By

On June 19, 2018, before me, Peter Aldana, Assessor, Clerk-Recorder, personally appeared Jon Christensen, Treasurer and Tax Collector for Riverside County, 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 executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed 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. Peter Aldana, Assessor, Clerk Recorder

Deputy

Seal

§§3708 & 3804 R&T Code

TDL 8-19 (6-97)

1 GREGORY P. PRIAMOS, County Counsel SBN 123446 SYNTHIA GUNZEL, SBN 163919 2 MICHAEL THOMAS, SBN 259626 Riverside County Counsel 3 3960 Orange Street, Ste. 500 Riverside, CA 92501 4 Telephone: (951) 955-6300 Attorneys for Riverside County Treasurer-Tax Collector 5 6 **BOARD OF SUPERVISORS** 7 OF THE COUNTY OF RIVERSIDE 8 9 In re: PETITION OF CALHOUN **DECLARATION OF SANDY FINLEY** VILLAGE HOMEOWNERS IN OPPOSITION TO PETITION 10 ASSOCIATION TO RESCIND TAX DEED [APN: 612-081-069-7] 11 12 4th District 13 I, Sandy Finley, Chief Deputy Treasurer-Tax Collector for the County of Riverside, hereby affirm 14 and declare that I have reviewed the official records, reports, and files of the Riverside County Treasurer-15 Tax Collector (the "Tax Collector") which were made by department personnel within the scope of their 16 duties at or near the time of the recorded acts, conditions, and events for the purpose of officially recording 17 said acts and that the facts set forth below are personally known to me or known to me pursuant to such 18 records review and, if called as a witness, I could and would competently testify thereto under oath: 19 1. The property taxes on the land described as Assessor's Parcel Number 612-081-069-7 and 20 located in the City of Indio (the "Subject Property") became delinquent in fiscal year 2011-2012. 21 2. The delinquent taxes on the Subject Property went unpaid for the five-year statutory period. At 22 that time, the Subject Property became subject to the Tax Collector's power to sell. 23 3. On June 2, 2017, the Tax Collector mailed a Notice of Impending Power to Sell Tax-Defaulted 24 Property to the last known assessee of the Subject Property via USPS Certified Mail. The last known 25 assessee of the Subject Property was Coachella Valley Land Corporation, and the last known mailing 26 address was 2 Ranch Drive, Novato, California 94945. A true and correct copy of that notice and the record 27 of delivery are attached hereto as Exhibit A. 28 4. On August 14, 2017, the Tax Collector recorded a Notice of Power to Sell Tax-Defaulted Property against the Subject Property in the official records of the Riverside County Assessor-County

DECLARATION OF SANDY FINLEY IN OPPOSITION TO PETITION

Clerk-Recorder as Document Number 2017-0334178. A true and correct copy of the recorded notice is attached hereto as Exhibit B.

- 5. On January 23, 2018, the Riverside County Board of Supervisors approved the tax sale of the Subject Property, among others, by passing agenda item number 3.29 at a regularly scheduled public meeting held on that date.
- 6. On March 1, 2018, the Tax Collector mailed a Notice of Sale of Tax-Defaulted Property to the last known assessee of the Subject Property via USPS Certified Mail. A true and correct copy of that notice and the record of delivery are attached hereto as Exhibit C.
- 7. On June 26, 2018, the Tax Collector recorded the Tax Deed to Purchaser of Tax-Defaulted Property. The tax deed is recorded in the official records of the Riverside County Assessor-County Clerk-Recorder as Document Number 2018-0256533 and is attached hereto as Exhibit D.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this il day of thurs 2020 in Riverside, California.

SANDY FINLEY

Chief Deputy Treasurer-Tax Collector

EXHIBIT A

COUNTY OF RIVERSIDE County Administrative Center-4th Floor 4080 Lemon Street, P.O. Box 12005 Riverside CA 92502-2205



Satellite Offices

Palm Desert Office 38-686 El Cerrito Rd Palm Desert, CA 92211 Temecula Office 40935 County Center Dr. Suite C Temecula, CA 92591



7114 7344 2820 2879 3831

June 2, 2017

951-955-3900 951-955-3990 - Fax www.countytreasurer.org E-mail: ttc@rivco.org



RE: ASSESSMENT NUMBER: 612081069-7

NOTICE OF IMPENDING POWER TO SELL TAX-DEFAULTED PROPERTY

Pursuant to law, notice is hereby given that at 12:01 a.m. PT on July 1, 2017, the real property described herein will become subject to the Tax Collector's Power to Sell. Unless the property is redeemed or an Installment Payment Plan is initiated prior to 5:00 p.m. PT on June 30, 2017, (or the next business day if the delinquent date falls on a Saturday, Sunday or legal holiday) five or more years will have elapsed from the date the property became tax-defaulted and it will become subject to sale.

Once the property is subject to sale on July 1, 2017, the right of redemption will terminate by law at 5:00 p.m. PT on the last business day prior to the date of sale. If this property is not redeemed and is sold at a tax sale, you may have the right to claim proceeds of the sale that are in excess of the liens and costs to be satisfied from the proceeds.

The property that is subject to the Tax Collector's Power of Sale is located in the County of Riverside, State of California, and is described as follows:

DEFAULTED IN THE YEAR: 2011-2012
2012-612081069-0000
IN THE CITY OF INDIO
TAX RATE AREA: 007-067
DESCRIPTION: 612081069-7
STREET ADDRESS:
LAST ASSESSED TO: COACHELLA VALLEY LAND CO

If unable to pay the full redemption amount (i.e. unpaid taxes for all delinquent years plus penalties and charges), you may start an Installment Payment Plan. To pay in full or to start an Installment Payment Plan, visit our website at www.countytreasurer.org and pay on-line by either credit/debit card or by electronic check. You may also pay the full redemption amount with a credit/debit card over our automated telephone system at 951-955-3900. A convenience fee will be added for all credit/debit card payments. Payment by check for an Installment Payment Plan or for full redemption are accepted at any of our office locations (Riverside, Temecula or Palm Desert) or you may send by mail to the address listed on the top left corner of this letter. Please make checks payable to Riverside County Treasurer-Tax Collector and include your assessment number. PAYMENTS BEING MADE BY CASH WILL ONLY BE ACCEPTED AT THE RIVERSIDE LOCATION.

PLEASE DO NOT SEND CASH THROUGH THE MAIL.

Dated June 2, 2017

Don Kent Treasurer-Tax Collector

> PLEASE RETURN THIS STUB WITH YOUR PAYMENT TO: COUNTY OF RIVERSIDE, TREASURER-TAX COLLECTOR, P.O. BOX 12005, RIVERSIDE, CA 92502-2205

ASSESSMENT NUMBER: 612081069-7 AMOUNT REQUIRED TO REDEEM \$430.68

IF PAID ON OR BEFORE 5 P.M. ON June 30, 2017



Date Produced: 06/12/2017

LETTERSTREAM INC:

The following is the delivery information for Certified Mail™ item number 7114 7344 2820 2879 3831. Our records indicate that this item was delivered on 06/05/2017 at 04:45 p.m. in NOVATO, CA 94945. The scanned image of the recipient information is provided below.

Mary

2 Reville VI

Signature of Recipient:

Address of Recipient:

Thank you for selecting the Postal Service for your mailing needs. If you require additional assistance, please contact your local post office or Postal Service representative.

Sincerely, United States Postal Service

EXHIBIT B

TREASURER-TAX COLLECTOR **STOP 1110**

DON KENT TAX COLLECTOR 4080 LEMON ST - 4TH FLOOR RIVERSIDE, CALIFORNIA 92501

2017-0334178

08/14/2017 11:18 AM Fee: \$ 0.00

Page 1 of 2

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NOTICE OF POWER TO SELL TAX-DEFAULTED PROPERTY

Which, pursuant to law was declared to be Tax-Defaulted on JUNE 30, 2012 for the nonpayment of delinquent taxes in the amount of \$58.18 for the fiscal year 2011-2012, Default Number 2012-612081069-0000.

Notice is hereby given by the Tax Collector of RIVERSIDE County that pursuant to Revenue and Taxation Code §3691 the property described herein is subject to sale for nonpayment of taxes and will be sold unless the amount required to redeem the property is paid to the Tax Collector of said County before sale. The real property subject to this notice is assessed to: COACHELLA VALLEY LAND CO and is situated in said county, State of California, described as follows:

Assessor's Parcel Number 612081069-7

SEE PAGE 2 ENTITLED LEGAL DESCRIPTION

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

Executed on

RIVERSIDE County JULY 1, 2017

Tax Collector

On 07/18/2017, before me, Peter Aldana, Assessor, Clerk-Recorder, personally appeared Don Kent, Treasurer and Tax Collector for Riverside County, 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 executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

Ву.

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. Peter Aldana, Assessor, Clerk Recorder

// Deputy

Seal

§§3691, 3691.1, 3691.2 R&T Code

TDL 7-01 (1-98)

Page 2

612081069-7

LEGAL DESCRIPTION

IN THE CITY OF INDIO

LOT E OF TRACT 31074, IN THE CITY OF INDIO, RIVERSIDE COUNTY, CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 354, PAGES 67 THROUGH 68, INCLUSIVE OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

Non-Order Search Doc: RV:2017 00334178

EXHIBIT C

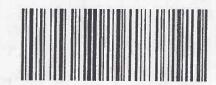
COUNTY OF RIVERSIDE TREASURER - TAX COLLECTOR County Administrative Center-4th Floor 4080 Lemon Street, P.O. Box 12005 Riverside CA 92502-2205



Satellite Offices
Palm Desert Office
38-686 El Cerrito Rd
40935

Palm Desert, CA 92211

Temecula Office 40935 County Center Dr. Suite C Temecula, CA 92591



7114 7344 2820 3309 7405

951-955-3900 951-955-3990 - Fax www.countytreasurer.org E-mail: rette@riveo.org



March 1, 2018

NOTICE OF SALE OF TAX-DEFAULTED PROPERTY

The records in this office indicate that you may have some interest in the property that is subject to tax sale. Please disregard this notice if you have no interest in the property described as follows:

IN THE CITY OF INDIO

ASSESSMENT NUMBER: 612081069-7

LAST ASSESSED TO: COACHELLA VALLEY LAND CO

Unless a redemption of the Tax-Defaulted Property is received in the Treasurer-Tax Collector's Office on or before 5:00 p.m. PT on Wednesday, April 25, 2018, this property will be offered for sale to the highest bidder at www.Bid4Assets.com/Riverside beginning Thursday, April 26, 2018 at 8:00 a.m. PT and ending Tuesday, May 1, 2018 at staggered times.

If the property is not sold, the right of redemption will revive up to the close of business on the last business day prior to the next scheduled sale. Should you wish to bid at the sale, you first must register with Bid4Assets, Inc at www.Bid4Assets.com/Riverside by Tuesday, April 24, 2018.

If this property is sold at the internet auction, you may have the right to claim excess proceeds remaining after the tax liens and costs have been satisfied. The amount you may claim is in proportion to your interest in the property with other claims of equal priority. To file a claim for excess proceeds, you must be a party of interest as defined in Section 4675 of the California Revenue and Taxation Code. Your claim for excess proceeds must be filed within one year of the recordation of the Tax Collector's deed to the purchaser.

To pay by credit/debit card you may use our online system at www.countytreasurer.org or our automated telephone system at 951-955-3900. To pay by cashier's check you may visit one of our office locations (Riverside, Temecula, or Palm Desert), or you may send by mail to the address located at the top left corner of this letter. PAYMENTS BEING MADE BY CASH WILL ONLY BE ACCEPTED AT THE RIVERSIDE LOCATION. PLEASE DO NOT SEND CASH THROUGH THE MAIL. Money orders, personal checks and business checks will NOT be accepted as a form of payment for an item on taxsale.

In the event it is necessary to serve personal notice of the sale, pursuant to Revenue and Taxation Code Section 3704.7, a fee of \$229.34 will be added to the redemption amount below.

If you have any questions about this notice, please contact the Tax Sale Operations Unit at the above address.

Jon Christensen, Treasurer-Tax Collector

PLEASE RETURN THIS STUB WITH YOUR PAYMENT TO: COUNTY OF RIVERSIDE, TREASURER-TAX COLLECTOR, P.O. BOX 12005, RIVERSIDE, CA 92502-2205 ATTN: TAX SALE OPERATIONS

TC: 212 ITEM#: 655 ASSESSMENT NUMBER: 612081069-7

AMOUNT REQUIRED TO REDEEM \$2,023.51

\$2,025.87

IF PAID DURING

March 2018 April 2018 AND BEFORE 5P.M. ON

March 31, 2018 April 25, 2018



Date Produced: 03/12/2018

LETTERSTREAM INC:

The following is the delivery information for Certified Mail™ item number 7114 7344 2820 3309 7405. Our records indicate that this item was delivered on 03/05/2018 at 03:44 p.m. in NOVATO, CA 94945. The scanned image of the recipient information is provided below.

Signature of Recipient:

Address of Recipient:

2 Panch W

Thank you for selecting the Postal Service for your mailing needs. If you require additional assistance, please contact your local post office or Postal Service representative.

Sincerely, United States Postal Service

EXHIBIT D

REQUESTED BY AND MAIL TO: TREASURER-TAX COLLECTOR STOP 1110 JON CHRISTENSEN TAX COLLECTOR 4080 LEMON ST-4TH FLOOR RIVERSIDE, CALIFORNIA 92501

DRAGON'S DEN PROPERTIES LLC C/O SOKRAT ARZUMANYAN 1413 1/2 W KENNETH ROAD UNIT 10 GLENDALE, CA 91201

2018-0256533

Page 1 of 2

Recorded in Official Records County of Riverside Peter Aldana

Assessor-County Clerk-Recorder



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TRA 007-067

Doc. Trans. Tax - computed on full value of property conveyed \$

Jon Christensen, Tax Collector

Signature of Declarat

TAX DEED TO PURCHASER OF TAX-DEFAULTED PROPERTY

On which the legally levied taxes were a lien for Fiscal Year and for nonpayment were duly declared to be in default 2012-612081069-0000

Default Number

This deed, between the Tax Collector of RIVERSIDE County ("SELLER") and DRAGON'S DEN PROPERTIES LLC, A LTD LIABILITY CO ("PURCHASER") conveys to the PURCHASER free of all encumbrances of any kind existing before the sale, except those referred to in §3712 of the Revenue and Taxation Code, to the real property described herein which the SELLER sold to the PURCHASER at a public auction held on MAY 1, 2018 pursuant to a statutory power of sale in accordance with the provisions of Division 1, Part 6, Chapter 7, Revenue and Taxation Code, for the sum of \$26,800.00.

NO TAXING AGENCY objected to the sale.

In accordance with law, the SELLER, hereby grants to the PURCHASER that real property situated in said county, State of California, last assessed to COACHELLA VALLEY LAND CO, described as follows:

Assessor's Parcel Number 612081069-7

IN THE CITY OF INDIO

See Page 2 Entitled Legal Description

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

Executed on

County of Riverside

MAY 1, 2018

On June 19, 2018, before me, Peter Aldana, Assessor, Clerk-Recorder, personally appeared Jon Christensen, Treasurer and Tax Collector for Riverside County, 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 executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed 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. Peter Aldana, Assessor, Clerk Recorder

Deputy

Seal



LEGAL DESCRIPTION

LOT E OF TRACT 31074, IN THE CITY OF INDIO, RIVERSIDE COUNTY, CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 354, PAGES 67 THROUGH 68, INCLUSIVE OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.