

BUDGET CHANGE ADDENDUM

RE 618H (Rev. 9/19)

SUBDIVISIONS

ADDENDUM TO:

PUBLIC REPORT NUMBER

FINAL PUBLIC REPORT AMENDED PUBLIC REPORT CONDITIONAL PUBLIC REPORT

NAME OF SUBDIVIDER

NAME OF SUBDIVISION

BUDGET CHANGE ADDENDUM

Assessment Program: Equal Assessments Variable Assessments Range of Assessments Incremental Level

The budget information contained in the Maintenance and Operational Expenses section of the attached Final, Amended, or Conditional Public Report states that monthly assessments are \$ _____ per lot/unit per month; ranges from \$ _____ to \$ _____ per lot/unit per month.

The Subdivider has:

proposed a budget change

The homeowners association has:

proposed a budget change
 adopted a budget change

that would

- increase the assessment by 20% or more to \$ _____ per lot/unit per month.
- decrease the assessment by more than 10% to \$ _____ per lot/unit per month.
- increase the high end of the assessment range or decrease the low end of the assessment range from \$ _____ to \$ _____ per unit/lot per month.
- differ from the Incremental or Level assessment amount to be \$ _____ per lot/unit per month.

(FOR FINAL OR AMENDED PUBLIC REPORTS ONLY)

On _____ ("Application Date") the Subdivider applied for an Amended Public Report with the Department of Real Estate ("DRE") to include the Subdivider's proposed or homeowners association's proposed/adopted budget ("New Amended Public Report").

OR

(FOR CONDITIONAL PUBLIC REPORTS ONLY)

On _____ ("Application Date") the Subdivider submitted new information to the Department of Real Estate ("DRE") in connection with its application for a Final Public Report regarding the Subdivider's proposed or homeowners association's proposed/adopted budget.

When a copy of this Budget Change Addendum has been signed and attached to the current Final, Amended, or Conditional Public Report, the Subdivider can continue to enter into binding contracts with purchasers for the sales of lots/units in this subdivision.

Subdivider agrees no escrow for the sale of any lot/unit sold utilizing this Budget Change Addendum, when it is attached to a Final, Amended, or Conditional Public Report, can close until the New Amended Public Report or Final Public Report is issued and the purchaser has been given a copy of the New Amended Public Report or Final Public Report that shows the accepted and revised budget and assessment information for this subdivision.

The Subdivider agrees it shall also provide a copy of this signed Budget Change Addendum to all purchasers currently in escrow.

AS PART OF THE APPLICATION FOR THE NEW AMENDED PUBLIC REPORT OR FINAL PUBLIC REPORT, SUBDIVIDER AGREES TO PROVIDE THE DRE FOR ITS REVIEW AND ACCEPTANCE AN ADDENDUM TO THE ESCROW INSTRUCTIONS/PURCHASE AGREEMENT FOR EACH PURCHASER WHO PURCHASED A LOT/UNIT UTILIZING THIS ADDENDUM THAT SETS FORTH THE FOLLOWING PROVISIONS:

1. Subdivider has submitted an application for either an Amended Public Report or a Final Public Report along with a Budget Change Addendum form (RE 618H) to the Department of Real Estate ("DRE") together with revised budget documents, for review of either the Subdivider's proposed or the homeowners association's proposed/adopted changes to the homeowners association's budget and the homeowners' monthly assessments. The dollar amounts of the proposed or adopted changes are set forth in the Budget Change Addendum.
2. The Budget Change Addendum shall be attached to the front of the current Final, Amended, or Conditional Public Report issued by the DRE and utilized until either the new Amended Public Report or Final Public Report with the revised monthly assessment amounts as set forth in the Budget Change Addendum has been issued.
3. In the case of the purchaser signing a contract under the authority of a current Final or Amended Public Report, if the new Amended Public Report is not issued within 90 days from the date of the Subdivider's Application Date as set forth in the Budget Change Addendum, then the purchaser may, upon purchaser's sole election, cancel the escrow whereupon all purchase money shall be refunded to the purchaser.
4. In the case of the purchaser signing a contract under the authority of a current Conditional Public Report, if the Final Public Report is not issued during the term of such Conditional Public Report (or as extended for an additional six (6) month period), or if the purchaser is dissatisfied with the Final Public Report because of a change pursuant to California Business and Professions Code section 11012 (i.e., a material change in this subdivision's offering), then the purchaser may, upon purchaser's sole election, cancel the escrow whereupon all purchase money shall be refunded to the purchaser. (California Business and Professions Code section 11018.12(e)(3))
5. If the budget and monthly assessment amounts accepted by the DRE, as set forth in the New Amended Public Report or Final Public Report, exceed the proposed or adopted amounts set forth in the Budget Change Addendum, then each purchaser who purchased a lot/unit utilizing the Budget Change Addendum may, upon purchaser's sole election, cancel the escrow whereupon all purchase money shall be refunded to the purchaser.

The Subdivider, by signing this Budget Change Addendum and attaching it to the current Final, Amended, or Conditional Public Report issued by the DRE, acknowledges that all of the statements contained in this Budget Change Addendum constitute material representations to purchasers from Subdivider, and that the purchasers may fully rely thereon. By signing this Budget Change Addendum, the Subdivider also represents that there are no other material changes in this subdivision's offering or to the current Final, Amended, or Conditional Public Report to which this Budget Change Addendum is attached other than those as stated in this Budget Change Addendum.

SIGNATURE OF SUBDIVIDER	DATE
	