

NOTICE OF INTENTION (COMMON INTEREST)

RE 624 Part I (Rev. 2/17)

GENERAL INFORMATION

This is an application for a subdivision public report for a common interest subdivision (condominium, mixed use, planned development, community apartment, mobile home, tenancy-in-common or undivided interest).

This application is required for a final public report. It may also be used to apply for a conditional public report or for a preliminary public report.

Please see the Special Note relating to conditional public reports on page 2.

You may apply for a preliminary public report by using RE 603, but you must use this form (RE 624) to apply for the final public report. The main feature of the preliminary public report is that it will normally be issued within 14 calendar days after receipt of an application, if there are no deficiencies.

PART I INDEX

RE FORMS

<p>I. Who Must Apply 2</p> <p>II. The Application (RE 624) 2</p> <p> A. Part I — Instructions 2</p> <p> B. Part II — Index/Quantitative Deficiency Notice 2</p> <p> C. Part III — Questionnaire..... 2</p> <p> D. Project Narrative 2</p> <p>III. Methods of Filing for Final Public Reports 3</p> <p> A. Minimum Filing Package (MFP) 3</p> <p> B. Substantially Complete Application (SCA) 3</p> <p>IV. All Documents Must Be Tabbed/Hole-Punched 3</p> <p>V. Application Processing 3</p> <p>VI. Filing Fees 3</p> <p>VII. Where to File Your Application 3</p> <p>VIII. Typed Preliminary Public Report (RE 603C) ... 4</p> <p>IX. Final Public Reports 4</p> <p>X. Communication with the Department 4</p> <p>XI. Single Responsible Party 4</p> <p>XII. DRE Publications 4</p> <p> A. Subdivision Industry Bulletin 4</p> <p> B. Real Estate Law Book..... 5</p> <p> C. Subdivision Public Report Application Guide (SPRAG) 5</p> <p> D. Operating Cost Manual 5</p> <p>XIII. Request for Budget Review - RE 681 5</p> <p>XIV. Duplicate Budget Package 5</p> <p>XV. Explanation of Phasing Options..... 6</p> <p>XVI. Receipt for Public Report — Regulation 2795.1 Prospective Purchaser to Receive Report 6</p> <p>XVII. Regulations Regarding Use of Public Report ... 7</p> <p>XVIII. Documents to be Delivered 7</p> <p>XIX. Final Documents 8</p> <p>XX. Abandonment of Application for Public Report 8</p>	<p>The following real estate forms are for your reference and may be listed by number and/or name in this Notice of Intention. All forms referenced are available on our website at www.dre.ca.gov.</p> <p>350 Publications Request</p> <p>600A Blanket Surety Bond [§11013.2/.4]</p> <p>603 Preliminary/Interim Public Report – Application Instructions</p> <p>603C Preliminary Public Report Common Interest Subdivision</p> <p>605 Subdivision Filing Fees</p> <p>608's Consent to Service of Process (Public Report, or Out-of-State Registration) [608 = individual; partnership; corporation; limited liability company; 608A = Out-of-State Trustee]</p> <p>609 Instructions to Escrow (Promotional Gifts)</p> <p>611 Bond (Completion of Common Facilities)</p> <p>611A Planned Construction Statement</p> <p>611D Irrevocable Standby Letter of Credit [B&P §11018.5(a)(2) or 11230]</p> <p>612 Reservation Instrument</p> <p>612A Reservation Deposit Handling Agreement</p> <p>613 Common Area Completion Security Agreement [§11018.5(a)(2) or 11230]</p> <p>614E Receipt for Public Report</p> <p>616 Master Management Document Information</p> <p>616B Declaration of Approved MMDs</p> <p>616C Approval of Master Management Documents</p> <p>621 Escrow Instructions [§11018.5(a)]</p> <p>623 Budget Worksheet</p> <p>624 Notice of Intention (Common Interest)</p> <p>624A HOA Common Facilities/Components</p> <p>624C Special District and Special Assessment District</p> <p>624E Master Planned Community Information</p> <p>629 Set-Aside Letter [§11018.5(a)(2)]</p> <p>639 Supplemental Questionnaire (Common Interest Subdivision Conversion)</p>
--	--

DETACH AND RETAIN PART I FOR REFERENCE.

The Department of Real Estate does not discriminate on the basis of race, color, creed, sex, religion, ancestry, national origin, disability, medical condition, genetic information, marital status, sexual orientation or physical handicap in employment or the provision of services.

643	Assessment Security Agreement and Instructions to Escrow Depository [Reg. 2792.9]
643E	Security Agreement and Instructions to Escrow Depository [Reg. 2792.10]
643I	Irrevocable Standby Letter of Credit [Regulation 2792.9]
643J	Surety Bond (Regulation 2792.9)
643K	Surety Bond (Regulation 2792.10)
643L	Irrevocable Standby Letter of Credit (Reg. 2792.10)
646	Common Interest Development General Information
648	Regulation Check Sheet [RE 624 & 658 Filings]
681	Budget Review Request
684A	Certification (Reviewed Budget)
688	Set-Aside Letter [Regulation 2792.10]
688A	Set-Aside Letter (Regulation 2792.9)
699	Certification (Subsequent Phases of a Phased Project)
699B	Certification (Mutual Water Company)
699C	Certification (Totally Complete Filing – Common Interest)

SPECIAL NOTE CONDITIONAL PUBLIC REPORTS

Under California B&P Code §11018.12(d), a person may sell or lease, or offer for sale or lease, lots or parcels in a subdivision pursuant to a conditional public report if, as a condition of the sale or lease, delivery of legal title or other interest contracted for will not take place until issuance of a final public report and other specified conditions are satisfied. §11018.12(f) requires a subdivider or principal to provide a prospective purchaser with a copy of the conditional public report and a written statement with certain specified information.

Section 11018.12(h) provides that the term of a conditional public report shall not exceed 6 months, but the report may be renewed for one additional six-month period if the Commissioner determines that the requirements for issuance of a public report are likely to be satisfied during the renewal term.

Section 11018.12(i) provides that the term of a conditional public report for attached residential condominium units, as defined pursuant to Section 783 of the Civil Code, consisting of 25 units or more as specified on the approved tentative tract map, shall not exceed 30 months and may be renewed for one additional term of six months if the commissioner determines that the requirements for issuance of a public report are likely to be satisfied during the renewal term.

In addition to the items required for a final public report, an applicant for a conditional public report should submit:

- (a) The required fee;
- (b) A statement identifying the information required for issuance of the final public report which is not to be available when the conditional public report is issued and specifying why that information will not be available at the time of issuance of the conditional public report; and

- (c) Exemplar sales agreements and escrow instructions designed for use in sales conducted under authority of the conditional public report.

I. Who Must Apply

This application must be filed and a subdivision public report must be obtained before offering for sale or lease, in California, five or more interests in a common interest subdivision. (See Section 11000 et seq., of the Business and Professions Code for further details.)

II. The Application (RE 624)

- This is a three-part form - Instructions, Index, and Questionnaire.

A. Part I — Instructions

Part I is instructions to the applicant on how to complete the form. Detach Part I before submitting the remainder. Retain Part I for your reference.

You are encouraged to obtain and use the Subdivision Public Report Application Guide (SPRAG). See page 5 for information about SPRAG.

B. Part II — Index/Quantitative Deficiency Notice

Part II has three distinct functions and uses:

1. The applicant uses Part II to determine which documents are required for a “minimum filing package” and for a “substantially complete application.”
2. The applicant also uses Part II as an index for tabbing documents which are being submitted with the application.
3. DRE uses Part II as a “quantitative deficiency notice” to communicate what further documentation, if any, is required of the applicant for a substantially complete application.

After receiving a quantitative deficiency notice, all additional documents required in a substantially complete application must be submitted together, at one time, with the deficiency notice on top. If documentation is submitted piecemeal, it will be returned.

C. Part III — Questionnaire

Part III contains questions about the subdivision project and requests that various kinds of supporting documentation, as applicable, be submitted.

Answer all questions. If an item is not applicable, mark it NA.

If you do not understand a question, please consult SPRAG, or contact your title company, your attorney or the Department.

If you cannot answer a question because your project plans are not finalized, do not leave the question unanswered; do not submit your application until your plans are finalized.

D. Project Narrative

If the project for which a Notice of Intention is being submitted has unusual or noteworthy aspects, processing of the submittal may be considerably simplified, and processing time thus shortened, if a cover letter is included which describes the offering and highlights the unusual or noteworthy aspects thereof.

III. Methods of Filing for Final Public Reports

When applying for a final public report, submit a minimum filing package (MFP) or a substantially complete application (SCA).

A. Minimum Filing Package (MFP)

DRE will accept an application filing only if all of the following requirements are met:

- the filing fee is submitted
- the Index (Part II) is completed
- the Questionnaire (Part III) is completed
- all documents submitted are legible, tabbed with the appropriate item number, and hole-punched
- the required documents are submitted

DRE requires that all original applications include a minimum amount of supporting documentation in order to be accepted. *This requirement is met by submitting all documents requested by those questions of Parts II and III that are marked with an asterisk (*).* If a question does not apply, mark it NA. However, if an asterisked question does apply, you must submit the documentation indicated.

If the minimum filing package requirements are not met, the application and filing fee will be returned.

If MFP requirements are met, the DRE will accept the filing as a Notice Of Intention and will continue processing to determine if the filing is a substantially complete application.

No other processing of a minimum filing package for a final public report will occur until the filing is substantially complete.

A preliminary public report can also be processed, if requested, after a minimum filing package is submitted. There is no statutory time limit regarding issuance of a preliminary public report. However, no further processing of a minimum filing package for a final public report will occur until the filing is substantially complete.

B. Substantially Complete Application (SCA)

A substantially complete application includes:

- A minimum filing package
- Most other documentation required for the issuance of a final public report. (Matching answers in columns two and three of Part II will indicate what is to be included in the substantially complete application.)

- A duplicate budget package with duplicate copies of materials related to the homeowners' association budget.

IV. All Documents Must Be Tabbed/Hole-Punched

In order to efficiently process the application file, we require that all incoming documents, including those submitted after the original submittal, be tabbed with the item numbers shown in Part II, column one. Use heavy stock or fabric tabs, not plastic or paper tabs. Each tab must show the document's precise item number.

Place the tabs on the right side of the documents. Do not place them all in the same location, but stagger them up and down the right-side page edges. Do not place tabs on the upper two inches of the documents.

- Note:**
- Be sure to tab and hole-punch any documents submitted after the initial submittal of the application.
 - Do not hole-punch original public report drafts or maps.

V. Application Processing

Substantially complete applications are processed on a first-come first-served basis. Under the legislative time frames in Business and Professions Code Section 11010.2, the Department will complete the initial review to verify that the filing is substantially complete within 10 days. Within 60 days after the file is determined to be substantially complete, a qualitative deficiency notice showing legal, budget and other deficiencies will be sent. The comprehensive response to the qualitative deficiency submitted by the "single responsible party" will be reviewed within 30 days after receipt thereof at DRE. After all corrections are made and final documents (e.g., recorded documents, bonds, etc.) are submitted, i.e., when the file is "perfected," the final public report will be issued within 15 days.

VI. Filing Fees

See Subdivision Filing Fees (RE 605).

VII. Where to File Your Application

There are two DRE Subdivision Offices. Each office processes applications for subdivisions being developed in certain counties as shown below. Please submit your application to the correct office. Note: In rare instances DRE may transfer applications to the other District Office for processing. You will be advised should your file be transferred.

The following counties are covered by the Southern office:

Imperial	Los Angeles
Orange	Riverside
San Bernardino	San Diego
Santa Barbara	Ventura

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

All Other Counties are covered by the Northern office:

Subdivisions Office - North
1651 Exposition Blvd., Sacramento, CA 95815
Mailing address: P.O. Box 137005
Sacramento, CA 95813-7005
Telephone: (916) 576-3374

VIII. Typed Preliminary Public Report (RE 603C)

Follow the instructions listed below to complete RE 603C. Submit the original and three pink copies of the typed preliminary public report.

- A. Subdivision Information — Enter the name of applicant, tract or map name and number, advertising name, and county **only**. *DRE will complete the file number, issuance date, and expiration date fields.*
- B. Location and Size — This subdivision contains (#) lots or units on (#) acres and is located at (*street address or cross streets*) within the city limits of (*city/town*) or approximately (#) miles from (*city/town*).
- C. Type of Subdivision — Choose one of the following to indicate the type of subdivision (project):
 - Community Apartment
 - Condominium
 - Condominium Conversion
 - Condominium Mobile Home
 - Mixed Use
 - Planned Development
 - Planned Development Mobile Home
 - Tenancy-In-Common
 - Undivided Interest
- D. Interest To Be Conveyed (page 2)—Choose the appropriate phrase below, fill in the blanks and enter the phrase on page 2. (If none of the statements below is representative of your offering, rephrase the statement and explain the reasons in a cover letter.)
 1. Condominium, Mixed Use or Condominium Conversion
You will receive fee title to a specified unit and an undivided fractional interest as a tenant-in-common in the common area together with a membership in the _____ Association and rights to use the common area(s).
 2. Planned Development or Planned Development Mobile Home
You will receive fee title to a specified lot together with a membership in _____ Association and rights to use the common area(s).

3. Community Apartment
You will receive an undivided interest in all the property and an exclusive right to occupy a specified apartment.

4. Undivided Interest
You will receive an undivided interest in all the property including all improvements on the property, and become a co-owner with other purchasers.

E. Reservation Money Handling — Add the name and street address of the escrow depository. Do not use a post office box.

IX. Final Public Reports

Common interest subdivision final public reports are typically prepared by single responsible parties and reviewed at respective DRE Subdivision offices. The content of the public report is subject to statutory requirements and the review of DRE. *Public reports will automatically be sent to the entity designated as the single responsible party in this application, unless DRE is notified otherwise.*

X. Communication with DRE

When corresponding with DRE about a file or when sending in deficiencies, *always reference the DRE application file number and the name of the Real Estate Specialist assigned*. Prior to the file being SCA, it will be assigned to the Central Control (CC) unit.

You are advised to make copies of all documents submitted and to retain them for your reference.

Always submit correspondence and deficiency corrections, under the Deficiency Notices, to the Office indicated on the Deficiency Notice. Do not submit correspondence piecemeal and do not submit deficiency corrections to the office that is not processing your application.

XI. Single Responsible Party

In order to process your application expeditiously we request that a “single responsible party” be designated in Part III. Normally, all communication from the DRE regarding your application will be through this person (preparers of management documents and/or homeowners’ association budgets may be contacted if needed). *Other parties having an interest in the application should contact the single responsible party for status information, rather than the DRE*. In addition, copies of all written communications to the single responsible party will be sent to the subdivider.

Submit 15 self-sticking address labels for the single responsible party for the filing and another 15 labels for the subdivider. Submit 5 additional labels for the SRP and another 5 for the subdivider with the duplicate budget package. Complete the labels as shown below:

Sample: Mr. John Smith
 Smith Title Company
 123 Main Street
 Anywhere, CA 90000

XII. DRE Publications

A. Subdivision Industry Bulletin

DRE periodically publishes a newsletter which includes the latest in subdivision procedures, regulations, form changes, etc. The Subdivision Industry Bulletin is available on the DRE Web site, www.dre.ca.gov, by clicking on the Publications tab.

B. Real Estate Law Book

The Real Estate Law Book is available free of charge on our Web site, www.dre.ca.gov, by clicking on the Publications tab. Use RE 350 to order a hard copy of the Real Estate Law Book.

C. Subdivision Public Report Application (SPRAG)

The Guide is a compilation of detailed instructions on how to apply for a public report plus an item-by-item analysis of RE 624 and 628, Notices of Intention, and the documentation which must be submitted with each. The Guide should prove to be a valuable tool for anyone who submits applications.

The SPRAG is also available free of charge on our Web site, www.dre.ca.gov, by clicking on the Publications tab. Use RE 350 to order a hard copy of the SPRAG.

Note: The Guide is NOT copyrighted. You may reproduce it if you wish.

D. Operating Cost Manual

The Operating Cost Manual is available on our DRE Web site, www.dre.ca.gov, by clicking on the Publications tab. Use RE 350 to order a hard copy of the Operating Cost Manual.

XIII. Request for Budget Review - RE 681

- Complete RE 681 and attach it to the front of the duplicate budget package folder. [See Figure A on page 9]
- *Items ①–④ pertain to the subdivision itself, not to the subdivider's address particulars.*

XIV. Duplicate Budget Package

A substantially complete application must include a duplicate budget package (DBP). All items included in the DBP are duplicates of items in the main file, except RE 681. These duplicate items are indicated by the note (cc for DBP) in Part III. The DBP allows simultaneous processing of your application by Real Estate Specialists and of the budget by DRE's Budget Review Section.

The duplicate budget package is not required as part of the minimum filing package, but it is required for a substantially complete application.

The duplicate budget package must be submitted complete, with all documents included. Do not submit the duplicate budget package until all required documents are included.

The DBP is to be set up as follows:

- In order to efficiently process the DBP, we require that all incoming documents, including those submitted after the original submittal, be tabbed with the item numbers shown in Part II, column 1. Use heavy stock or fabric tabs, not plastic or paper tabs. Each tab must show the document's precise item number.
- Place the tabs on the appropriate side of the documents (see Figure B on page 10). Do not place them all in the same location, but stagger them up and down the side of the page. Do not place tabs on the upper 2 inches of the documents.
- Attach a completed RE 681 to the outside front of a side-tabbed, legal-sized, manila folder. Attach all the DBP documents inside as shown in Figure B on page 10; attach the documents, two-hole punched, with an Acco fastener. Do not obscure any writing/drawing on the documents when attaching them to the folder.

The items to be included in the duplicate budget package are, as applicable:

- Completed RE 681 (Do not tab. Fasten to outside of folder.)
- A copy of the RE 624 - Part II
- Five address labels for both the SRP and subdivider
- Vicinity Map (Copy of item 30)
- Conditions of Approval (local agency/ copy of item 27)
- Tract/Parcel Map (Copy of item 27)
- Condominium Plan (Copy of item 28)
- Plot Plan (Copy of item 29)
- A copy of the Part III Questionnaire (Do not tab)
- RE 611A, if applicable (Copy of item 32B)
- RE 623 (Copy of item 37)
- Future phases information (Copy of items 38A-38C)
- RE 624A (Copy of item 31A)
- RE 639 including all documents required by RE 639 (Copy of item 33, conversions only)
- Subsidy/Maintenance Agreement (Copy of item 34)
- Contracts Obligorating HOA. (Copy of item 35)
- Use/easement agreements (miscellaneous documents)
- Bylaws (Copy of item 45)
- CC&Rs (Copy of item 47)
- Proposed Declaration of Annexation (Copy of item 49)

If the filing is a subsequent phase (or map) in a phased or multiple-map project, certain items may be deleted from the duplicate budget package for the subsequent phase (or map). *However*, any pages from the below-listed documents, which show changes must be submitted with the changes red-lined. Obviously, any item which was not included in the phase one (Master File) duplicate budget package may *not* be deleted, even if it is among the items listed.

Items which might be deleted include: (Note: These items may be deleted from the subsequent phase duplicate budget package only. See Part II, page 1, Use of Master File, relative to subsequent phase application package preparation.)

- Bylaws
- Tract Map
- CC&Rs

For the above items which are not submitted in the subsequent phase (or map) DBP, mark Master File in column five of Part II, on page 7 or page 8.

It is imperative that the "master file" DRE File Number be prominently shown on the subsequent phase (or map) duplicate budget package.

If this is a subsequent phase (or subsequent map) filing *and* if the budget for this phase was accepted by DRE within the last 24 months *and* if there is ***absolutely no change*** in the offering, including the phasing plan, from that which was approved, you may submit RE 684A, Certification (Reviewed Budget), in lieu of a duplicate budget package.

If an Association has been formed, the following information should be included in the budget package submitted for subsequent phases in a phased project (or for subsequent maps in a multiple-map project or for subsequent maps/phases in a phased multiple-map project). The information must also be submitted with renewal and/or amendment filings. (See Operating Cost Manual for more information.

- The Association's current financial statements (audited, if available) for the past two years or from start-up, whichever is less, balance sheet (less than 90 days old at the time of submittal) and a year-to-date statement (Current year only).
- A copy of the current or latest reserve study pursuant to Civil Code Section 5550. [If a reserve study is not available, then provide a statement indicating the date of the 1st close of escrow per phase along with copy of the grant deed(s)]
- A copy of the Association's current adopted budget.
- A copy of the documents which are required to be distributed to the membership per Civil Code Section 5300.
- A statement from the Association showing the dollar amount of past due delinquencies. The statement should indicate what assessments are due from the subdivider or should indicate that the subdivider is current in assessment payments.
- A copy of the Association's current reserve and operating bank statements (less than 90 days old at the time of submittal).

XV. Explanation of Phasing Options

See Figure C on page 11 for a description of the phasing options and a sample of each. (*Item 1(M) in Part III asks you to describe how the lots/units covered by this application relate to the overall project plan.*)

- A *multiple-map project* is characterized by groups of lots/units offered on more than one map (See Example 1).
- A *phased project* is characterized by groups of lots/units

offered within one map, each group to be covered by a separate final public report (See Example 2).

- Each map of a *multiple-map project* may itself be developed in phases (See Example 3).

XVI. Receipt for Public Report — Regulation 2795.1

Each prospective purchaser must be given a copy of the public report for which a receipt must be completed and retained for three years. A Receipt for Public Report (RE 614E) shall be used by the owner/subdivider (or agent). (Refer to Figure D on page 11.) A copy of RE 614E will be provided when the public report is issued.

The receipt is to be kept on file by the subdivider (or the agent) for three (3) years.

Note: Regulation 2795.1(a) states "A receipt on the form specified herein shall be taken by or on behalf of the subdivider from each person executing a reservation agreement under authority of a preliminary public report and from each person who has made a written offer to purchase or lease a subdivision interest under authority of a final subdivision public report."

Subdivision (b) of Regulation 2795.1 provides that the receipt shall be retained for a period of three years from the date of the receipt and shall be available for inspection by DRE during regular business hours.

Section 11018.1 of the Business and Professions Code stipulates when, and to whom, the subdivider or the subdivider's agents or salespersons must give copies of the public report:

Prospective Purchaser to Receive Report

§11018.1.(a) A copy of the public report of the commissioner, when issued, shall be given to the prospective purchaser by the owner, subdivider or agent prior to the execution of a binding contract or agreement for the sale or lease of any lot or parcel in a subdivision. The requirement of this section extends to lots or parcels offered by the subdivider after repossession. A receipt shall be taken from the prospective purchaser in a form and manner as set forth in the regulations of the Real Estate Commissioner.

- A copy of the public report shall be given by the owner, subdivider or agent at any time, upon oral or written request, to any member of the public. A copy of the public report and 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, shall be posted in a conspicuous place at any office where sales or leases or offers to sell or lease lots within the subdivision are regularly made.

XVII. Regulations Regarding Use of Public Report

Interests in a subdivision shall not be offered for sale or lease until the Real Estate Commissioner's final or conditional public report thereon has been issued, nor shall a deposit be accepted

on, or an agreement of sale or lease be executed for, any interest in the subdivision until a copy of the final or conditional public report thereon has been given to the prospective purchaser and a receipt taken therefor.

Each purchaser's signed receipt for a copy of the final or conditional public report shall be kept on file in the possession of the owner/subdivider (or agent) of the subdivision for three (3) years subject to inspection at any reasonable time by the Real Estate Commissioner or his representatives.

No public report shall be used for advertising purposes unless the report is used in its entirety, nor shall any person advertise or represent that the Department of Real Estate or the Commissioner approves or recommends the subdivision project or sale thereof. No portion of the report shall be underscored, italicized or printed in larger or heavier type than the balance of the report unless the report issued by the Commissioner is so emphasized.

Sale of a subdivision interest by the owner, agent or subdivider after its repossession shall be considered an original sale, and a copy of the public report shall be given to the purchaser as in the case of the original sale.

The owner, subdivider or agent shall immediately furnish data in writing to the Commissioner on any new condition or development in the subdivision being offered for sale. (See Section 2800 of the Commissioner's Regulations for an enumeration of material changes that may require amended subdivision public reports.)

If the owner of the subdivision options or sells five or more interests to another, such option or sale shall constitute a material change within the meaning of Section 11012 of the California Business and Professions Code, and such owner shall immediately notify the Real Estate Commissioner in writing of such option or sale. A purchaser of five or more interests is under obligation to obtain an amended public report before reselling. (See Regulation 2801.5 for further definition of "Subdivider.")

When the interest conveyed to purchasers consists of a sublease or lease assignment, the owner, subdivider or agent of the subdivider shall deliver to each purchaser a copy of the original lease and any and all modifications, extensions and assignments upon which the interest to be conveyed is based.

The proposed further division of any interest in the subdivision must be reported to the Real Estate Commissioner pursuant to Section 11012 and/or 11018.7 of the Business and Professions Code. (Also, see Regulation 2800.)

A division of any interest in the subdivision into five or more interests may constitute a new subdivision as defined by Section 11000 et seq. of the Business and Professions Code and a separate final public report may be required for that offering.

Note: All sections of the Business and Professions Code and the Commissioner's Regulations (California Code of Regulations) mentioned herein can be found in the Real Estate Law Book.

Review of Sections 11000 through 11200 of the Business

and Professions Code and Regulations 2790 through 2804 may be of benefit to you.

XVIII. Documents to be Delivered

Pursuant to Section 11018.6 of the Business and Professions Code, the subdivider of a common interest subdivision must make certain documents available to prospective purchasers prior to entering into a purchase contract:

§11018.6. Any person offering to sell or lease any interest subject to the requirements of subdivision (a) of Section 11018.1 (B&P Code) in a subdivision described in Section 11004.5 shall make a copy of each of the following documents available for examination by a prospective purchaser or lessee before the execution of an offer to purchase or lease and shall give a copy thereof to each purchaser or lessee as soon as practicable before transfer of the interest being acquired by the purchaser or lessee:

- (a) The Declaration of Covenants, Conditions and Restrictions for the subdivision.
- (b) Articles of Incorporation or Association for the subdivision owners association.
- (c) Bylaws for the subdivision owners association.
- (d) Any other instrument which establishes or defines the common, mutual, and reciprocal rights, and responsibilities of the owners or lessees of interests in the subdivision as shareholders or members of the subdivision owners association or otherwise.
- (e) To the extent available, the current financial statement and related statements specified in Section 5300 of the Civil Code, for subdivisions subject to those provisions.
- (f) A statement prepared by the governing body of the association setting forth the outstanding delinquent assessments and related charges levied by the association against the subdivision interests in question under authority of the governing instruments for the subdivision and association.

Owners of interests in common interest subdivisions must provide essentially the same documents to potential purchasers (resales) pursuant to Section 4525 of the Civil Code.

XIX. Final Documents

After a filing is substantially complete (SCA), a qualitative deficiency notice is sent to the single responsible party (SRP) advising him/her of document revisions and/or submittals which are required to effect compliance with real estate law.

Once the revisions/submittals are deemed adequate and the budget amounts are accepted, there are certain documents which must be submitted to render the file "perfected." These documents may be termed "final documents" and generally include the following, as applicable:

- Recorded Map

- Recorded condominium plan (*condominium projects only*)
- Recorded CC&Rs (*please do not submit recorded documents prior to DRE acceptance of draft*)
- Recorded Declaration of Annexation (*subsequent phases and/or maps of phased and/or multiple-map projects only*)
- Subordination of existing liens to the CC&Rs, Declaration of Annexation, etc.
- Filed Articles of Incorporation (*incorporated associations only; please do not submit filed Articles prior to DRE acceptance of draft*)
- RE 643 and financial security (*please do not submit prior to DRE acceptance of budget*)
- RE 613, RE 611A and financial security (*please do not submit prior to DRE acceptance of amounts*)
- Title report issued after recordation of map, CC&Rs, etc., less than 90 days old at date of issuance of public report.

Note: Depending upon the particulars of your project, items in addition to those listed above may be required prior to issuance of the final public report.

XX. Abandonment of Application for Public Report

After written notice to the subdivider, or the subdivider's representative, the Commissioner may abandon any application for a subdivision public report if the data required by Section 11010 has not been furnished within three years from the date a notice of intention is filed for a subdivision public report. (Refer to Section 11018.13(a) of the Business and Professions Code.)

The Commissioner has adopted Regulation 2804 establishing time periods for notifying the subdivider and the subdivider's representative, of the intention to abandon a file, and establishing hardship or justifiable extenuating circumstances the Commissioner deems acceptable.

FIGURE "A"

STATE OF CALIFORNIA
DEPARTMENT OF REAL ESTATE

SUBDIVISIONS

BUDGET REVIEW REQUEST

RE 681 (Rev 8/17)

FILE NUMBER

TO BE COMPLETED BY DRE

TO: <input type="checkbox"/> LA <input type="checkbox"/> SAC	FROM: (REAL ESTATE SPECIALIST) <input type="checkbox"/> LA <input type="checkbox"/> SAC	DATE SENT	DUE DATE
---	--	-----------	----------

COMMENTS

TO BE COMPLETED BY APPLICANT

SUBDIVIDER

MASTER PLANNED DEVELOPMENT NUMBER (IF APPLICABLE) MASTER FILE NUMBER (IF APPLICABLE)

TRACT NUMBER SUBDIVISION NAME ADVERTISING NAME

SUBDIVISION STREET ADDRESS CITY (OR NEAREST CITY) COUNTY

① ② ③

CROSS STREETS

④

TYPE OF PROJECT (CHECK ONE)

- | | | |
|--|---|---|
| <input type="checkbox"/> Condominium | <input type="checkbox"/> Time Share Use | <input type="checkbox"/> Community Apartment |
| <input type="checkbox"/> Condominium Conversion | <input type="checkbox"/> Time Share Estates | <input type="checkbox"/> Undivided Interest |
| <input type="checkbox"/> Planned Development | <input type="checkbox"/> Stock Cooperative | <input type="checkbox"/> Limited Equity Housing Cooperative |
| <input type="checkbox"/> Planned Development Mobile Home | <input type="checkbox"/> Stock Cooperative Conversion | <input type="checkbox"/> Mixed Use |
| <input type="checkbox"/> Other: _____ | | |

NUMBER OF UNITS/LOTS NUMBER OF PHASES (I.E., PHASE 2 OF 3 PHASES) IF CONVERSION, AGE

IS RE 611A ON FILE? DATE OF MOST RECENT DRE BUDGET REVIEW FILE NUMBER OF MOST RECENT DRE BUDGET REVIEW

NO YES N/A

If the application is for a subsequent phase of a multi-phase project, does the subdivider have sufficient votes to control the association? YES NO

HOW MANY BUDGETS ENCLOSED? MOST RECENT BUDGET REVIEWED BY

PROJECT NARRATIVE/COMMENTS

FIGURE "B"
DUPLICATE BUDGET PACKAGE FILE LAYOUT

- Note:**
- Attach completed RE 681 to the outside front of folder
 - Documents are not drawn to scale
 - * *Vicinity map, proposed or recorded condo plan and plot plan* must be large scale and legible.

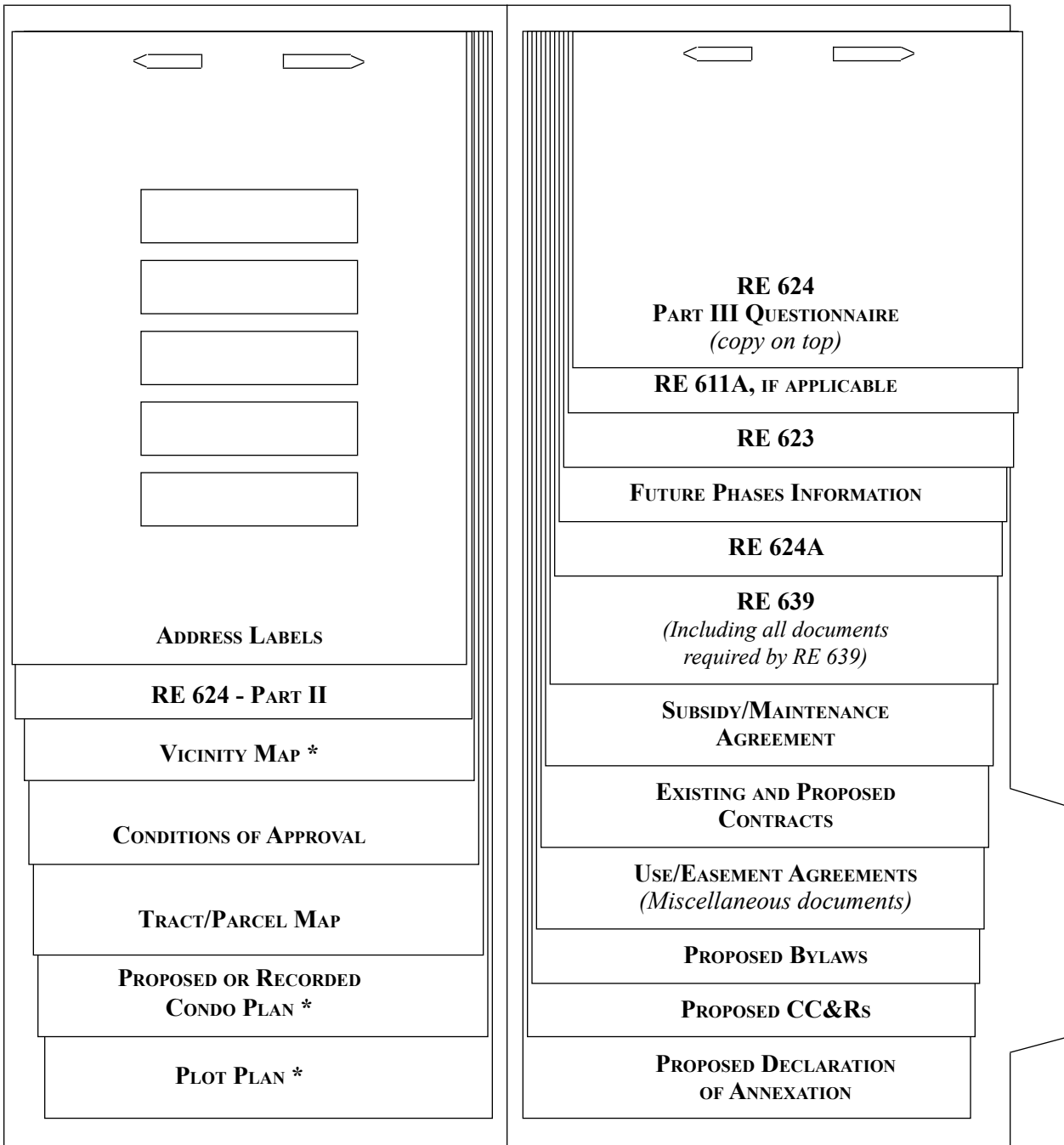


FIGURE "C"

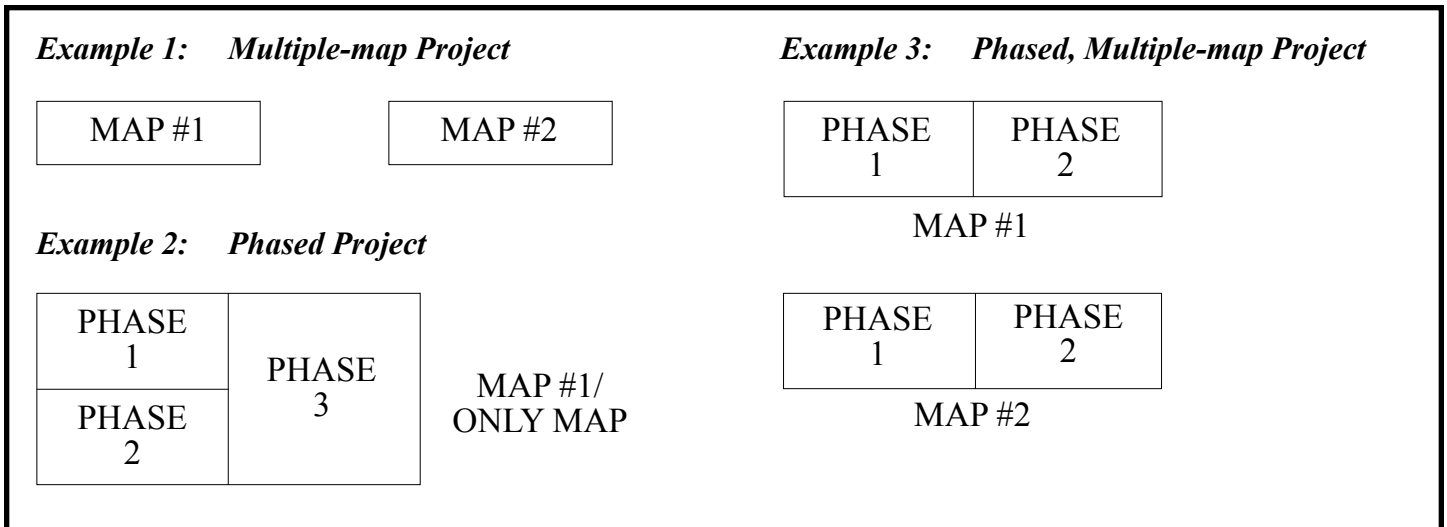


FIGURE "D"

RECEIPT FOR PUBLIC REPORT

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

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

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

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

I read the Commissioner's Public Report on _____
[File Number]

_____ *[Tract Number or Name]*

_____ *[Phase Number]* *[Lot/Unit Number]*

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

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

_____ *Date Issued* *Date Amended*

_____ *Name*

_____ *Signature* *Date*

_____ *Address*