

SUPPLEMENTAL DISCLOSURE STATEMENT QUESTIONS & ANSWERS REGARDING AGE RESTRICTIONS

CITRUS SQUARE TRACT 19147

CONDOMINIUM UNIT NO. _____

HOMEBUYER: _____

This Supplemental Disclosure Statement ("**Statement**") is intended to address various questions that have arisen concerning the age restrictions set forth in the Declaration of Covenants, Conditions and Restrictions and Reservation of Easements for Citrus Square ("**Declaration**") that affect each home ("**Property**") in Citrus Square ("**Community**"). Please note that the terms "**You**," "**Homebuyer**," and "**Homeowner**" are used interchangeably to refer to you throughout this Statement.

As part of your purchase of a home in the Community, you will receive other documents and disclosures (the "**Purchase Documents**"). This Statement is not intended as a substitute for your review of the Purchase Documents.

1. **CAVEAT.** THE RESPONSES TO THE QUESTIONS SET FORTH IN THIS STATEMENT ARE BASED ON SELLER'S UNDERSTANDING OF THE REQUIREMENTS OF THE DECLARATION AND APPLICABLE LAWS AND ARE PROVIDED SOLELY AS A MATTER OF COURTESY. THE RESPONSES ARE NOT INTENDED TO CONSTITUTE, AND SHOULD NOT BE INTERPRETED OR RELIED UPON AS, LEGAL ADVICE. YOU SHOULD CONSULT WITH YOUR OWN ATTORNEY REGARDING ANY QUESTIONS YOU MAY HAVE ABOUT THE AGE RESTRICTIONS OR OTHER RESTRICTIONS IN THE DECLARATION AND THEIR POTENTIAL IMPACT ON YOUR PERSONAL SITUATION. UNLESS REQUIRED BY LAW, SELLER IS NOT RESPONSIBLE FOR OR BOUND BY ANY STATEMENT MADE BY ITS SALES AGENTS, COMMUNITY COUNSELORS, EMPLOYEES, SUBCONTRACTORS, OR ANY OTHER AGENT OR EMPLOYEE.

2. **Laws Regarding Age Restrictions.** The Community is intended to qualify for the "housing for older persons" exemption from the prohibitions on discrimination based on familial status contained in the Federal Fair Housing Act, including those provisions adopted pursuant to the Fair Housing Amendments of 1988 and the Housing for Older Persons Act of 1995. The Community is also intended to qualify as an age qualified community for persons 62 years of age or older as specified in California Civil Code Section 51.3. Unfortunately, the federal and state laws are not entirely consistent. California Civil Code Section 51.4 recites, among other things, that the requirements under California Civil Code Section 51.3 are more stringent than the federal requirements. **IT IS POSSIBLE THAT THE LAWS REGARDING AGE RESTRICTIONS APPLICABLE TO THE COMMUNITY COULD CHANGE OVER TIME AS A RESULT OF CHANGES IN FEDERAL OR STATE LAW OR COURT DECISIONS INTERPRETING FEDERAL OR STATE LAW. ALTHOUGH SELLER HAS NO REASON TO BELIEVE THAT ANY OF THE AGE RESTRICTIONS IN THE DECLARATION MAY BE INVALID OR UNENFORCEABLE AT THIS TIME, SELLER MAKES NO WARRANTIES OR REPRESENTATIONS AS TO THE PRESENT OR FUTURE VALIDITY OR ENFORCEABILITY OF ANY AGE RESTRICTIONS IN THE DECLARATION. YOU ARE RESPONSIBLE FOR CONSULTING WITH YOUR OWN ATTORNEY REGARDING THIS MATTER.**

3. **Age Restrictions.** The Declaration (e.g., Article X and elsewhere) contains restrictions which restrict who may reside in a home in the Community. Except as otherwise expressly prohibited by applicable law, each Condominium Unit in the Community is subject to the restrictions in the Declaration. The restrictions may preclude you and/or members of your family from residing in the Community and limit the pool of prospective purchasers or tenants to whom you may sell or lease the Property.

4. **Do the age restrictions in the Declaration limit who may own the homes in the Community?**

The Declaration does not prohibit persons younger than 62 years of age from owning a home in the Community. However, persons younger than 62 years of age do not have the right to reside in the home unless they meet the age restriction requirements in the Declaration. Homeowners who do not meet the age restriction requirements in the Declaration may rent their homes to persons who do meet the age restriction requirements in the Declaration. Notwithstanding the foregoing, the City requires that the owners of homes in the Community that are subject to affordable housing restrictions (i.e., Condominium Unit Nos. 49 through 98, inclusive, of Tract No. 19147) must reside in such homes; therefore, the owners of those homes will need to comply with the age restrictions in the Declaration as well as the affordable housing restrictions.

5. **Who may reside in the Community?**

The Declaration states that at least one person who is 62 years of age or older ("**Qualifying Resident**") must reside in each home in the Community. The Declaration also states that the only people who may reside with the Qualifying Resident in each home are persons who qualify as "Qualified Permanent Residents" and/or "Permitted Health Care Residents" as defined in California Civil Code Section 51.3. The Declaration states that guests are permitted to stay in homes for up to 60 days in any year.

6. **Can a home in the Community have more than one Qualifying Resident?**

Yes. All persons residing together in a home in the Community who are 62 years of age or older (regardless of whether they are husband and wife, cohabitants, relatives, or simply friends) would be Qualifying Residents under the Declaration.

7. **When do I need to be concerned about whether a person qualifies as a Qualified Permanent Resident or Permitted Health Care Resident?**

The Declaration requires that, if a person is less than 62 years of age, the person must qualify as a Qualified Permanent Resident or Permitted Health Care Resident in order to reside in a home in the Community with a Qualifying Resident.

8. **Who qualifies as a Qualified Permanent Resident?**

The Declaration defines a "Qualified Permanent Resident" as a person who meets the qualifications of a "qualified permanent resident" set forth in California Civil Code Section 51.3, as that statute may be amended from time to time, or in any successor statute. Under the current version of that statute, a "Qualified Permanent Resident" includes a person who was (i) residing with the Qualifying Resident prior to the death, hospitalization, or other prolonged absence of, or the dissolution of marriage with, the Qualifying Resident and (ii) was 45 years of age or older, or was a spouse, cohabitant, or person providing primary physical or economic support to the Qualifying Resident. In addition, a disabled person or person with a disabling illness or injury who is a child or grandchild of the Qualifying Resident or a Qualified Permanent Resident who needs to live with the Qualifying Resident or Qualified Permanent Resident because of the disabling condition, illness or injury, is also a Qualified Permanent Resident. Whether or not a person is a Qualified Permanent Resident is a question of fact, and anyone whose status as a "Qualified Permanent Resident" is challenged may need to provide evidence to support his or her claim that he or she meets the requirements of the statute (e.g., testimony, photographs, records, etc.).

9. **Does a disabled child or grandchild need to be of a particular age or be claimed as a dependent on a Qualifying Resident's or Qualified Permanent Resident's income tax returns in order to qualify as a Qualified Permanent Resident?**

Civil Code Section 51.3 does not state that a disabled person or person with a disabling illness or injury who is a child or grandchild of the Qualifying Resident or a Qualified Permanent Resident who needs to live with the Qualifying Resident or Qualified Permanent Resident because of the disabling condition, illness or injury must be a particular age or named as a dependent on the Qualifying Resident's or Qualified Permanent Resident's income tax returns. However, in the event anyone were to challenge such a person's status as a Qualified Permanent Resident, it is possible that the age of the child or grandchild or status as a dependent on the Qualifying Resident's or Qualified Permanent Resident's income tax returns could be one of the factors considered in determining whether the child or grandchild needs to live with the Qualifying Resident or Qualified Permanent Resident. A Homebuyer who is concerned about this issue should consult with his/her own attorney regarding this matter.

10. **If a Qualifying Resident of a home in the Community dies, is there a specific time period by which Qualified Permanent Residents must vacate the home?**

No. Under California Civil Code Section 51.3(e), upon the death or dissolution of marriage, or upon hospitalization, or other prolonged absence of a Qualifying Resident, any Qualified Permanent Resident (e.g., a spouse or cohabitant who was residing with the Qualifying Resident prior to the death, hospitalization, or other prolonged absence of, or dissolution of marriage with the Qualifying Resident, etc.), is entitled to continue his or her occupancy, residency, or use of the home.

11. **Who qualifies as a Permitted Health Care Resident?**

The Declaration defines a "Permitted Health Care Resident" as a person who meets the qualifications of a "permitted health care resident" set forth in California Civil Code Section 51.3, as the same may be amended from time to time, or in any successor statute. Under the current version of that statute,

"Permitted Health Care Resident" means a person hired to provide live-in, long-term, or terminal health care to a Qualifying Resident or a family member of the Qualifying Resident providing such care.

12. **May a guest under the age of 62 come visit and stay overnight in a home in the Community for more than 60 days in the calendar year?**

No. The Declaration states that a guest may occupy a home for up to 60 days in any year. If a guest has stayed (overnight) for 60 days, that guest has used up his guest rights for the year.

13. **Do the Age Restrictions in the Declaration restrict children from visiting or residing in the Community?**

Under the Declaration, a child may visit a home in the Community as a guest for up to 60 days in any calendar year, but may not reside in a home in the Community unless the child is a Qualifying Resident (adult child who is 62 years of age or older), Qualified Permanent Resident, or Permitted Health Care Resident.

14. **What if a court order places two grandchildren in their grandparents' home temporarily?**

Under the Declaration and California Civil Code Section 51.3, if the grandchildren are Qualifying Residents, Qualified Permanent Residents (*e.g.*, they are disabled and are required to reside with their grandparents as a result of the disability, etc.), or Permitted Health Care Residents, they would be allowed to reside in the Community. If the minor grandchildren are not Qualifying Residents, Qualified Permanent Residents, or Permitted Health Care Residents, they may visit the Community as guests for up to 60 days in any calendar year. Notwithstanding the foregoing, it is possible that a court could conclude that other applicable laws regarding the temporary placement of the minor grandchildren with their grandparents take precedence over the age restrictions in the Declaration. A Homebuyer who is concerned about this issue should consult with his or her own attorney.

15. **Are the age restrictions in the Declaration different for same sex couples?**

The Declaration and California Civil Code Section 51.3 state that at least one person who is 62 years of age or older (*i.e.*, the Qualifying Resident) must reside in the home, and that the only people who may reside with the Qualifying Resident in the home are Qualified Permanent Residents and/or Permitted Health Care Residents. As set forth in Article X of the Declaration, the term Qualified Permanent Resident includes a "cohabitant." The definition of "cohabitant" in the Declaration and Civil Code Section 51.3 includes persons who are domestic partners within the meaning of Section 297 of the Family Code. It is not clear whether same sex couples who are not domestic partners also qualify as "cohabitants" under the definition of Qualified Permanent Residents. However, reported court cases suggest that the failure to recognize same sex couples as cohabitants may constitute a violation of law.

16. **What is the homeowners association authorized to do to ensure compliance with the age restrictions in the Declaration?**

The Declaration (at Article VI) gives the homeowners association (referred to as the "Corporation" in the Declaration) the power to take all actions necessary to enforce the age restrictions in the Declaration and to ensure that the Community complies with California Civil Code Section 51.3 and all other applicable laws and regulations concerning age-restricted housing, including without limitation, developing procedures for routinely determining the occupancy of each home, including conducting surveys, maintaining copies of the information provided in the surveys, and making a summary of the surveys available for inspection upon reasonable notice and request by any person.

17. **GENERAL RELEASE OF CLAIMS.** Homebuyer acknowledges receipt of adequate consideration, including but not limited to the express limited warranty provided by Seller, and based thereon agrees to provide Seller with the following release, whereby Homebuyer waives and releases Seller from any and all liability arising out of or relating to this Supplemental Disclosure Statement (collectively, "**Released Matters**").

HOMEBUYER, ON BEHALF OF HIMSELF, HERSELF, OR ITSELF AND HOMEBUYER'S SUCCESSORS AND ASSIGNS (COLLECTIVELY, "RELEASOR"), HEREBY WAIVES AND RELEASES SELLER FROM ALL ACTIONS, CLAIMS, DEMANDS, LOSSES, LIABILITIES, COSTS AND EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES, COURT COSTS, AND EXPERT WITNESS FEES AND COSTS), WHETHER KNOWN OR UNKNOWN OR SUSPECTED OR UNSUSPECTED, WHICH RELEASOR MAY NOW OR HEREAFTER HAVE AGAINST SELLER, ITS MEMBERS, CONTRACTORS, SUBCONTRACTORS AND EACH OF THEIR RESPECTIVE OFFICERS, EMPLOYEES, DIRECTORS, AFFILIATES, SUCCESSORS AND ASSIGNS, ARISING OUT OF OR IN CONNECTION WITH THE RELEASED MATTERS.

HOMEBUYER ALSO ACKNOWLEDGES THAT HOMEBUYER IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL SECTION 1542, WHICH PROVIDES AS FOLLOWS:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASING PARTY.”

HOMEBUYER HEREBY EXPRESSLY WAIVES ANY RIGHT HOMEBUYER MAY HAVE UNDER CIVIL CODE SECTION 1542 WITH RESPECT TO THE RELEASED MATTERS, AS WELL AS UNDER ANY OTHER STATUTE OR COMMON LEGAL PRINCIPLE OF SIMILAR EFFECT.

HOMEBUYER'S INITIALS: _____ HOMEBUYER'S INITIALS: _____

The undersigned Homebuyer(s) represent(s) that I/we have read and understand the matters set forth in this Supplemental Disclosure Statement and have received a copy for my/our records. I/we acknowledge and agree that I/we are solely responsible to make certain that I/we understand the contents of this Supplemental Disclosure Statement and will take whatever steps are necessary to do so, including without limitation, consulting an attorney, interpreter, or any other person whose advice or assistance may be necessary to fully understand the matters set forth in this Supplemental Disclosure Statement. I/we acknowledge and agree that I/we have considered the possible effect of such matters in my/our decision to purchase the Property. This Supplemental Disclosure Statement has been executed by the parties on the dates indicated below.

BUYER hereby agrees to provide a copy of this Supplemental Disclosure Statement to any individual or entity purchasing the Property from BUYER.

Date: _____
_____ BUYER

Date: _____
_____ BUYER

SELLER:

CYPRESSMOODYM 2022, LLC, a
California limited liability company

BY: _____
NAME: _____
TITLE: Authorized Signatory