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LIST OF EXHIBITS:

- EXHIBIT A – HOME PURCHASE CONTRACT AND ESCROW INSTRUCTIONS
- EXHIBIT B – SPECIAL ASSESSMENT
- EXHIBIT C – Intentionally deleted
- EXHIBIT D – Intentionally deleted
- EXHIBIT E – GROUND SUBLEASE
- EXHIBIT F – Intentionally deleted
- EXHIBIT G – Intentionally deleted

UNIVERSITY GLEN AT CSU-CHANNEL ISLANDS
Resales
BUYER DISCLOSURE STATEMENT
Revised March 2016

The California State University Channel Islands Site Authority (“Site Authority”) (which is a legislatively created State agency), has prepared this Buyer Disclosure Statement, together with certain accompanying documents, for your review as a potential purchaser of a home in the Community Development Area of California State University Channel Islands (“CSUCI”) known as University Glen (herein called “University Glen”). This Buyer Disclosure Statement sets forth basic information concerning University Glen and describes, in summary form, the rights and obligations that you will have as a Buyer. The documents provided to you with this Buyer Disclosure Statement are as follows:

1. Exhibit A – California Residential Purchase Agreement and Joint Escrow Instructions (the “Purchase Contract”), to which is attached as an Exhibit, among others:
 - a. Notice of Special Tax
2. Exhibit B – Special Assessment
3. Exhibit C – Intentionally left blank.
4. Exhibit D – Intentionally left blank.
5. Exhibit E – Ground Sublease, to which are attached as Exhibits, among others:
 - a. Approved Capital Improvements
 - b. Calculation of Pro-Rata Share
 - c. Property Use and Maintenance Regulations (“Regulations”)
6. Exhibit F – Intentionally left blank.
7. Exhibit G – Intentionally left blank.

You will be required to sign all of these documents if you elect to buy a home at University Glen. All of them together set forth in detail your legal rights and obligations as a Buyer. THIS BUYER DISCLOSURE STATEMENT IS NOT A CONTRACT. READING THESE DESCRIPTIONS IS NO SUBSTITUTE FOR A CAREFUL REVIEW OF THE LEGAL DOCUMENTS THEMSELVES.

Site Authority, as a state agency, is exempt from the disclosure requirements normally imposed on developers of common interest subdivisions by the California Department of Real Estate (“DRE”). Accordingly, you will not receive either a Preliminary or Final Subdivision Public Report issued by the DRE. This Buyer Disclosure Statement is designed to provide you with information similar to, and in some respects more detailed than, information normally made available to prospective purchasers in residential subdivisions that are subject to the jurisdiction of the DRE.

If you buy a home at University Glen as a resale, meaning you are not the first owner of the home, then you are buying the home “AS-IS”, WITH ALL FAULTS”. The Site Authority makes no warranties, express or implied, as to the condition of the home. Any warranty offered by the builder of the home is either expired, or will terminate upon transfer of the home to you, and you will not have any warranty from the builder.

IN ACCORDANCE WITH SITE AUTHORITY POLICY, THIS BUYER DISCLOSURE STATEMENT AND THE DOCUMENTS ACCOMPANYING IT, IF EXECUTED BY YOU, WILL BE HELD FOR AT LEAST FIVE (5) BUSINESS DAYS BEFORE BEING EXECUTED BY A REPRESENTATIVE OF SITE AUTHORITY. IF YOU SHOULD DECIDE TO RECONSIDER YOUR DECISION TO PROCEED WITH THE PURCHASE CONTRACT, YOU MUST NOTIFY THE SALES OFFICE IMMEDIATELY AND, IN ANY EVENT, BEFORE THE DOCUMENTS ARE EXECUTED BY SITE AUTHORITY. ONCE THE DOCUMENTS HAVE BEEN SIGNED BY YOU AND SITE AUTHORITY, THEY WILL BE BINDING AND ENFORCEABLE AND YOU WILL NOT HAVE ANY RIGHT OF RESCISSION.

I. OVERVIEW INFORMATION

1.1 Description of University Glen. The former Camarillo State Hospital facility has been transferred to the Trustees of the California State University (the “University”) for redevelopment into the CSUCI campus. It includes approximately 200 acres located east of the main campus (the “Community Development Area”). That area was then ground leased for 99 years at \$1 per year rent by the University to Site Authority for development into up to 900 units of apartments, town homes and single-family detached homes to be rented and sold, as well as a retail center and campus book store. By law, Site Authority is required to use all the profits from the sale and leasing of homes at University Glen for the development of the CSUCI campus. Site Authority and the University then duly adopted a Specific Reuse Plan for the Community Development Area, consistent with the Master Plan for CSUCI adopted by the University. The Specific Reuse Plan is available for review at the University Glen sales office.

The plan is to build out the entire Community Development Area with the project now called University Glen. Phase IA consisted of 100 apartments, known as Loma Vista Apartments; 47 attached town homes, known as Arroyo Town Homes, with 3 floor plans; 24 attached single-family homes, known as Monterey Row Homes, with 3 floor plans; and 36 detached single-family homes, known as Colina Vista Homes, with 4 floor plans. Phase IB consisted of 98 apartments, 27 Arroyo Town Homes and 24 Monterey Row Homes. Some of the Monterey Row Homes and Arroyo Town Homes will be sold, as herein described. All other units will be rented, with some of them being sold, as needed, to future faculty and staff. Phase IC consisted of 130 apartments, 17 Arroyo Town Homes, 51 Monterey Row Homes and 36 detached single-family homes, known as Colina Vista Homes, with 4 floor plans. All other units will be rented, with some of them being sold, as needed, to future faculty and staff.

The precise number and location of homes included in subsequent phases will be determined by demand and other factors. Site Authority has made no commitment as to the completion date of any particular phase and is under no obligation to complete the development in accordance with the Specific Reuse Plan, or at all. Accordingly, Site Authority provides no assurances to potential Buyers that University Glen in its entirety will ever be completed or that the Specific Reuse Plan will not be changed. Site Authority reserves the right to change the number and size of homes in future construction phases, to change materials, plans or specifications for such future homes and recreational amenities, and even to modify the Specific Reuse Plan to provide for uses other than housing, all in its sole discretion.

1.2 Participants in Development. Site Authority is the developer. However, it retained the services of third parties to design and build the homes. The escrow holder will be Chicago Title Company located at 500 E. Esplanade Drive, Suite 102 in Oxnard (“Escrow Holder”), unless Buyer elects to use a different escrow company, but in that event the Buyer must pay all closing costs... The sales, leasing and management of the common area, which consists of the roads, landscaping and recreational facilities (the “Common Area”), as well as routine maintenance of the exterior walls of the attached units, and landscaping around all the units, will be handled by a non-profit corporation named the University Glen Corporation.

WHENEVER REFERENCE IS MADE HEREIN TO SITE AUTHORITY PERFORMING THESE FUNCTIONS, THE ACTUAL DAY-TO-DAY WORK WILL BE PERFORMED AND SUPERVISED BY STAFF OR INDEPENDENT CONTRACTORS RETAINED BY THE UNIVERSITY GLEN CORPORATION, A CALIFORNIA NON-PROFIT CORPORATION.

Buyers will provide input on the management of the Common Areas, architectural modifications, changes to the Regulations, and other issues affecting the community through an unincorporated Homeowners Advisory Council elected annually by the Buyers. No homeowner's association has been established for University Glen or any of the homes or units located within the project. The Site Authority is vested with exclusive control and responsibility for the Common Areas and the structures of the attached units. It is the position of the Site Authority that the project is not subject to the Davis-Stirling Act which controls "common interest developments" because the land on which the project is located is owned by University and ground leased to University Glen Corporation, which are agencies of the State of California which in concert created the units and the lots on which the units are located and approved the project, without a homeowner's association.

II. STRUCTURE OF HOME OWNERSHIP

2.1 Purchase of Home, Deposit and Timing. The Purchase Price for the home will be as set forth in the Purchase Contract. In addition, the Buyer will be required to pay some escrow fees, and other closing costs and prorations, as well as loan costs. On signing the Purchase Contract, the Buyer will be required to make an initial deposit into escrow. Such deposit shall be non-interest bearing and shall be refundable only if (i) a Buyer with a higher priority becomes entitled to buy the home or (ii) the Buyer fails to qualify for the necessary home loan described in the Purchase Contract. Otherwise, the deposit is non-refundable and shall be retained by Site Authority as "Liquidated Damages" for the Buyer's failure to complete the purchase. Buyer will be obligated to apply for any needed loan(s) within five calendar days after signing the Purchase Contract, and to provide Site Authority with a written confirmation of loan approval, subject to appraisal, fifty (50) days after the date of execution of the Purchase Contract. The on-site sales agent will assist. Close of escrow must be completed within 60 days after signing the Purchase Contract. **If Buyer fails to close escrow by the Closing Date specified in the Purchase Contract, but is prepared to close at a later date and Site Authority has not cancelled the transaction, the Buyer will be required to pay a charge for the delay equal to seven percent (7%) of the Purchase Price applied on a daily basis from the specified Closing Date until actual close of escrow.**

2.2 Leasehold Interest in Land. All homes in University Glen are built on land that is and will continue to be owned by the University. As a result, all Buyers will be deeded and will own the house, but not the underlying land on which it is built. Instead of acquiring fee ownership of the land, as is the case in a typical home purchase transaction, you will acquire a long-term subleasehold interest in the land underlying the home pursuant to a Ground Sublease entered into with Site Authority at the closing. Thus, at closing, Buyers will receive a leasehold interest

in the lot on which the home is built, pursuant to the Ground Sublease, along with title to the house itself. This will be accomplished by recording a Memorandum of Ground Sublease and Grant Deed to Improvements. Buyers will be sublessees, and will receive a subleasehold interest from Site Authority which is, in turn, the lessee of the Community Development Area under a Ground Lease with the University. The term of all Ground Subleases will extend until October 1, 2096, at which time ownership of the land, and the homes built on the land, will revert to Site Authority without any compensation to you as the Ground Sublessee of the land and owner of the home. Unless Site Authority and the University give advance written permission, Buyer will not be permitted to demolish or remove the home. In the event of a default by Site Authority under the Ground Lease or other termination of the Ground Lease, the Ground Sublease will be recognized as a direct lease from the University, provided that there is not then any default under the Ground Sublease, and you as the Ground Sublessee agree to recognize the University as lessor.

2.3 Home Models, Basic Improvements and Upgrades. Information on home size, floor plans, pricing and other details will be provided to you separately. Any stated square footage areas of the homes in any plans, brochures, or other marketing materials are estimates only and Site Authority will have no liability if actual square footage differs. Your approval of the home at the walk through and closing of the transaction will constitute approval of the home, its size, and its appearance in all respects.

2.4 Common Area Maintenance Charges. The Ground Sublease will require that you pay "Maintenance Rent" equal to a "Pro Rata Share" of the cost of maintenance, repair, replacement and insurance for the Common Areas, water, trash collection and landscape maintenance for all the homes, as well as the cost of maintenance, repair and replacement of all the exteriors, roofs and structural components of the attached units, as well as property management fees payable to third party managers (together called "Maintenance Costs"). These Maintenance Costs will be calculated, and Maintenance Rent will be collected, similarly to typical Buyers association dues and assessments in other common interest developments. Maintenance Rent will be payable monthly. Each Buyer's "Pro Rata Share" of Maintenance Costs will be established specifically in the Ground Sublease but, generally, it will represent a fair allocation of the Maintenance Costs to each Buyer, based on the type of home owned. Although the Ground Sublease defines the purposes for which Maintenance Rent may be charged and requires that it be reasonable, it does not set a specific limit on the level of regular assessments that may be imposed by Site Authority, except to provide that the Maintenance Rent may not be increased in any one year by more than 25%, unless approved by a majority of all Buyers subject to such rent increases. A list of the estimated Maintenance Rent for various home types is being provided to you with your purchase documents.

2.5 Ownership of Common Facilities and Streets. University Glen includes, within the Common Areas: sidewalks, pathways, bikeways, roads, bridges, storm drains, detention basins, lighting, landscaping, pools, spas, recreation buildings, areas of open space, barbeque facilities, and other recreational facilities, that are available for the use and enjoyment of all residents in University Glen.

Site Authority is not obligated to build anything further in University Glen. Although the Common Areas may be initially owned and maintained by Site Authority, it reserves the right, in its sole discretion, to transfer ownership (by way of a Sub-Ground Lease and Deed to Improvements), and the attendant maintenance responsibilities, or to merely delegate such responsibilities, to the University Glen Corporation or to the University. Under the Ground Sublease, Site Authority is empowered to establish reasonable rules and regulations for the use of the Common Areas. The current rules are contained in the Regulations, which may be changed from time to time by Site Authority.

2.6 Alterations. You will be permitted to make any interior alterations that you desire to the home you acquire. Any exterior alterations to the homes or the landscaping in the Courtyards (being the areas located between the homes and the Common Areas, which are separated from each other by walls or hedges) will require the prior consent of Site Authority and must comply with the Regulations adopted by it from time to time. A copy of the current Regulations is attached as an Exhibit to the Purchase Contract. Written plans must be submitted in advance for approval along with a reasonable processing fee. The responsibility for handling such approvals may be delegated by Site Authority to the University Glen Corporation. No alterations to landscaping outside of the Courtyards is allowed.

2.7 Insurance. Owners of detached units are responsible to take out and maintain their own casualty and liability insurance and, if they choose, earthquake insurance, in accordance with the requirements of their lender. This includes the responsibility to take out and pay for their own insurance on their personal property in the home. However, if the owner of a detached unit fails to maintain casualty insurance covering the full replacement cost of the home, either the lender and/or Site Authority may do so and bill the owner for the cost. The attached units will be insured against casualty by Site Authority and the cost shall be reimbursed by the owners as part of the Maintenance Rent. Owners of attached units will be responsible to insure their personal property in the home. Further details on insurance are contained in the Ground Sublease, and in the summary of it below.

2.8 Real Estate Taxes and Special Assessments. Your possessory interest under the Ground Sublease is subject to real property taxes based on the Purchase Price, just like any other home in Ventura County. In addition, Site

Authority sold bonds to pay for the roads and other infrastructure for University Glen, which are repaid from a special tax assessment collected with the real property taxes. This was done, rather than increasing the sale price to cover that cost and then having you borrow for the extra cost at normal home loan rates, because the interest rates on the bonds is lower than home loan rates. The taxes (equal to 1% of value) plus the bond assessments are both payable April 10 and December 10 of each year. You will also be billed by the County Tax Collector for taxes retroactive to the date of purchase. However, your lender may require that you pay one twelfth (1/12th) of the taxes and assessments into an impound account monthly. Also, if you are entitled to receive a Housing Cost Subsidy discussed below, which is payable first as a credit toward Maintenance Rent and second toward taxes and assessments, you may be required by the Site Authority to make payments into an impound account equal to one twelfth (1/12th) of the taxes and assessments, less any Housing Cost Subsidy in excess of Maintenance Rent. The impound account will then be used by the Site Authority to pay taxes and assessments when due. The taxes may be increased by up to two percent (2%) per year by the Ventura County Assessor.

On signing the Purchase Contract, Buyer will be given and be required to sign a Notice of Special Tax describing exactly the total amount of the special tax assessment on the Property and how it is payable.

A list of the annual assessment for the 2015-2016 tax year on each lot in Phase IC is attached hereto as Exhibit B. A Notice of Special tax confirming the tax amount on your unit will be attached to the Purchase Agreement.

SITE AUTHORITY HAS NO CONTROL OVER THE VALUATION, TAX COLLECTION, OR THE AMOUNT OF ANY TAXES RESULTING FROM YOUR PURCHASE. YOU ARE SOLELY RESPONSIBLE FOR PAYMENT OF TAXES INCURRED AFTER THE CLOSE OF ESCROW AND WILL RECEIVE A SUPPLEMENTAL TAX BILL FOR THE PERIOD BETWEEN CLOSE OF ESCROW AND THE END OF THAT CALENDAR YEAR SOME TIME BETWEEN SIX (6) MONTHS AND FIFTEEN (15) MONTHS AFTER CLOSING FROM THE TAX COLLECTOR.

THE SPECIAL ASSESSMENTS COLLECTED BY THE TAX COLLECTOR WITH REAL PROPERTY TAXES ARE NOT DEDUCTIBLE FOR INCOME TAX PURPOSES. YOU SHOULD CONSULT WITH YOUR OWN TAX CONSULTANT.

2.9 Utilities. Meters will be installed for electricity and gas, but not water, which will be provided by Site Authority and billed for as part of the monthly Maintenance Rent charges. You will need to arrange for the following utility services: electricity, telephone, gas, power, and cable television. All are payable monthly. The utility companies serving University Glen are: Southern California

Edison (electricity); Southern California Gas Company (natural gas); Verizon (telephone); and Time Warner (cable television).

2.10 Responsibilities for Maintenance, Repair and Replacement.

The owners of the detached homes will be responsible for all maintenance, repair, and replacement of their homes, inside and outside, regardless of the cause of any damage (e.g., fire, earthquake, wind, water, etc.). The owners of attached homes will be responsible entirely for interior repair, replacement, and maintenance, including all electrical, plumbing, and HVAC systems. Replacement, repair and maintenance of the exterior, roofs and structural components of the attached homes, including damage due to any casualty (such as fire, earthquake, wind, water, etc.) will be the responsibility of Site Authority. All landscaping in University Glen will initially be installed and thereafter maintained by Site Authority, except that maintenance of the Courtyards will be the responsibility of the Buyer. No alterations to the Courtyard landscaping may be made if any new vegetation when mature will be visible from the street or any other unit in the project, without the prior written consent of Site Authority or its designee.

2.11 Eligibility to Purchase a Home - The Priority System. Site Authority was created with the objective of implementing an employee-housing ownership program on the CSUCI campus designed to strengthen and promote the educational purposes and programs of CSUCI. This goal will be fostered by the creation of a diverse residential community based on the development of continually affordable employee housing that will assist in the recruitment, retention and productivity of faculty and staff. To achieve these goals, Site Authority and the University have established detailed criteria to determine the priority of prospective Buyers and to allocate available housing units among eligible Buyers. In selling homes in University Glen, Site Authority will select from among potential Buyers in accordance with the priority system described below. However, all Buyers must occupy the homes as their principal residence within two (2) months after close of escrow. The categories of persons eligible to purchase in Phase I and the order of priority in being chosen to do so are as follows:

Category 1: CSU employees commencing service during the summer or fall of 2002 selected by the CSUCI President to be a priority purchaser, or the President of CSUCI for the purpose of assigning the Purchase Contract to CSUCI employees who are hired after the sales program commences for service at CSUCI commencing in the summer or fall of 2002.

Category 2: Tenured¹ and Tenure-Track Faculty² and CSUCI Management Level III Personnel³ or Management Level IV Personnel⁴.

¹ "Tenured Faculty" means those faculty members who have received appointment in a tenured faculty position by the California State University ("CSU") campus for which they work.

Category 3: Full-Time Staff⁵ of CSUCI.

Category 4: Employees of Educational Allies⁶, Educational Partners⁷, and Military Partners⁸, who are covered by an agreement between such entities and CSUCI.

Category 5: Tenured and Tenure-Track Faculty and Full-Time Staff of any other CSU campus.

Category 6: Graduates from any CSU campus.

Category 7: Members of the General Public.

When subsequent phases are ready to be sold, the priority categories for that phase will be subject to change in the discretion of Site Authority.

2.12 Timing and Procedure for Buyer Selection. All interested persons who have requested notice in advance of the commencement of marketing of any unit or units will receive notice of the opening of the sales period. All Buyers who then want to sign up for a unit will be given the opportunity to sign a Purchase Contract and tender a deposit on a first-come first-served basis with all persons in the same priority category.

SITE AUTHORITY STRICTLY ADHERES TO THE ANTI-DISCRIMINATION LAWS OF THE STATE OF CALIFORNIA. SECTION 12920 OF THE CALIFORNIA GOVERNMENT CODE. ANY PRACTICE OF DISCRIMINATION IN HOUSING ACCOMMODATIONS BASED ON RACE, COLOR, RELIGION, SEX, SEXUAL ORIENTATION, PHYSICAL DISABILITY, MENTAL DISABILITY, MEDICAL CONDITION, MARITAL STATUS, FAMILIAL

² "Tenure-Track Faculty" means those full-time faculty members who are awaiting appointment in a Tenured Faculty position.

³ "Management Level III Personnel" refers to those employees holding positions that are defined as Management Level III by the CSU Management Personnel Plan (the "MPP"), including Associate Vice President and Dean.

⁴ "Management Level IV Personnel" refers to those employees holding positions that are defined as Management Level IV by the MPP, including Vice President and President.

⁵ "Full-Time Staff" means those employees who are employed in staff or management level positions to work at least 40 hours per week.

⁶ "Educational Allies" include the CSU Professional Development Charter School District, the Ventura County Community College District, and any other school districts or educational institutions designated as such by the President of CSUCI.

⁷ "Educational Partners" include corporations that have an agreement or understanding with CSUCI or its designee to establish an ongoing educational program for its employees at CSUCI or to otherwise benefit CSUCI.

⁸ "Military Partners" includes the United States Navy, for the Pt. Mugu Naval Air Station.

STATUS, NATIONAL ORIGIN, OR ANCESTRY IS CONTRARY TO PUBLIC POLICY. THE FAIR HOUSING AMENDMENTS ACT OF 1988 PROHIBITS DISCRIMINATION AGAINST FAMILIES WITH CHILDREN AND THE HANDICAPPED.

2.13 Waiting List for Subsequent Phases and Resales. Any persons who signed a Purchase Contract and tendered a deposit but were unable to purchase a desired home may place their name on a waiting list for resales of any home. If a deposit is left with Site Authority, the date and time of sign-up on the waiting list will establish priority among those in the same category when the next house is sold or when resales become available.

2.14 Priority of Prior Buyers for Subsequent Phases. The priority of any Buyer of a home who wants to sell his or her home and buy a new one in a subsequent phase, by signing the waiting list and leaving a deposit, will be established after all newly hired employees in the same category (or higher) have had an opportunity to make a selection, and after those within the same category (or higher) who are higher on the waitlist have had an opportunity to make a selection. At this time there are no plans for a subsequent phase of homes.

2.15 Restrictions on Ownership Eligibility. No persons may acquire a University Glen home unless they confirm in writing their intention to occupy the home as their principal residence and actually move in within two (2) months after the close of escrow. In addition, if any person receiving priority due to his or her being an employee of CSUCI intends to acquire a co-ownership interest with another person, or persons, who is not a spouse, all such other persons must be legally obligated on the home loan and must all together acquire less than a 50% ownership interest.

2.16 Intentionally left blank.

2.17 Intentionally left blank.

2.18 Intentionally left blank.

2.19 No Warranty/As-Is Purchase. Neither Site Authority nor any of its agents, employees or officers have made or are making any representations or warranties of any kind (express or implied) respecting the quality or condition of the home or any other matter pertaining to the purchase. By signing the Purchase Contract and closing escrow, you will confirm that you have inspected the home and accepted the home in its “as is” condition with all faults that are reasonably apparent by making a visual inspection, and such acceptance is a material consideration to Site Authority entering into the Purchase Contract.

III. MATERIAL RESTRICTIONS ON RESALE

3.1 Voluntary Resale Offering Procedures. To assure that homes in University Glen remain available and affordable to members of the University community, certain material restrictions have been placed on voluntary resales, and an option to repurchase will be reserved by Site Authority if certain “Repurchase Option Events” occur under the terms of the Ground Sublease. The restrictions may result in a lengthening of the time required to sell homes at University Glen (depending on the length of the waiting list) and a reduction in the resale price that a Buyer would receive in the absence of such restrictions. **YOU SHOULD REVIEW EACH OF THESE RESTRICTIONS CAREFULLY. PLEASE CONSULT THE GROUND SUBLEASE FOR THE FULL PROVISIONS REGARDING THESE RESTRICTIONS.**

If you decide to sell your home, you must give written notice to Site Authority (the “Sale Notice”) and set the price and terms of sale, which may not exceed the Maximum Resale Price, as defined below. The Site Authority will then have 30 days to either (i) offer the Unit at that asking price and on your proposed terms of sale to potential Buyers who are on the waiting list under priority categories 1, 2 or 3, or (ii) purchase the Unit itself. The offer made within that period at full price and otherwise meeting the seller’s terms of sale, by a Buyer having the highest priority under the priority system or the Site Authority itself, must be accepted by the seller. If no such offer is received, the same process will be utilized by Site Authority for the next 30 days for seeking offers from CSUCI employees who are not on the waiting list, but are eligible to purchase under priority categories 1, 2 or 3. If no such offer is received during that period, then Site Authority shall have another 30 days to obtain and submit offers from categories 4 and 5 Buyers. If no such offers are received during that period, then you may solicit offers from any Buyers in priority categories 6 and 7, which includes the general public. However, if any bona fide written offer is received containing all necessary terms of sale (but in any case at a price which does not exceed the Maximum Resale Price), which you are prepared to accept, Site Authority shall be given a copy of such offer and shall have 10 business days to elect to purchase the home on the same terms.

If Site Authority does not so exercise its right to purchase the unit, you will have the right for the duration of the escrow period specified in the offer, but in no event longer than 180 days, to close the escrow on the terms specified in the offer. At close of escrow for a sale to any Buyer, including the Site Authority should it purchase the Unit, a Transfer Fee must be paid to the Site Authority out of the sale proceeds equal to 1% of the sale price through escrow at closing. If the sale is made to any Buyer (including the Site Authority itself) Site Authority may also charge a reasonable administrative fee for administering that transfer, including the preparation of a Consent to Assignment and Assumption of the Ground Sublease,

which such Buyer will be required to execute, and reviewing the Buyer's request for consent.

If for any reason, the agreed sales price is reduced during escrow by 5% or more, for any reason, by agreement with a purchaser procured by the Buyer, rather than Site Authority, seller must notify Site Authority, and it shall have 10 business days from the date of such notice within which to exercise its option to purchase the home at the reduced price and close the transaction within the time for close of escrow set forth in the agreement with the Buyer. Also, if the sale to a purchaser, other than Site Authority, does not close within such 180 day period, you must again provide notice of the proposed sale to Site Authority, whereupon Site Authority again shall have the right to exercise an option to purchase the home for 10 business days, with closing to occur within 30 days thereafter. If you have received a Housing Cost Subsidy, the Transfer Fee calculated under Section 2.16 above will also be due at close of the resale escrow, regardless of whether the home is sold back to Site Authority or to a third party Buyer.

3.2 Resale Price Limitations. The Ground Sublease also provides that no home may be offered for resale at a price that is greater than the "Maximum Resale Price". The Maximum Resale Price is the sum of (i) the Purchase Price of the home paid by the Buyer, increased by the same percentage that the Consumer Price Index [All Urban Wage Earners and Clerical Workers] (base years 1982-84 = 100) for the for Los Angeles Riverside Orange County, California, published by the United States Department of Labor, Bureau of Labor Statistics, increased during your period of ownership; plus (ii) the amount that any Approved Capital Improvements made by you to the home increased the fair market value of the home, established by a qualified independent appraiser appointed and paid for by you in advance from a list provided by Site Authority; plus (iii) the reasonable out-of-pocket costs of incidental repairs and minor renovations made within the 90 days prior to giving the Sale Notice to improve the appearance and condition of the home for resale, verified with written receipts provided to Site Authority with the request for consent to transfer. A list of Approved Capital Improvements is attached as an Exhibit to the Ground Sublease and may be changed by Site Authority from time to time, provided that any deletion from the list shall not disqualify previously installed improvements that were approved when installed.

DUE TO THESE RESALE RESTRICTIONS AND PRICE LIMITATIONS, IF YOUR PRIMARY OBJECTIVE IN PURCHASING A HOME AT UNIVERSITY GLEN IS MAXIMIZING YOUR CAPITAL GAIN, SITE AUTHORITY RECOMMENDS THAT YOU CONSIDER ACQUIRING A HOME IN A LOCATION OUTSIDE OF THE COMMUNITY INSTEAD.

3.3 Site Authority Repurchase Option.

THE PURPOSE OF THE HOUSING PROGRAM IS TO STRENGTHEN AND PROMOTE THE EDUCATIONAL PURPOSES AND PROGRAMS AT CSUCI THROUGH THE CREATION OF A DIVERSE RESIDENTIAL COMMUNITY OF UNIVERSITY EMPLOYEES AND RELATED PARTIES. THUS, IF YOU RECEIVED PRIORITY IN SELECTING A UNIT AS A RESULT OF YOUR EMPLOYMENT, YOU MUST AGREE THAT IF YOU CEASE BEING SO EMPLOYED OR IF A NUMBER OF OTHER EVENTS OCCUR SITE AUTHORITY WILL HAVE THE OPTION TO REPURCHASE YOUR HOME. LIKEWISE, IF YOU ARE A PRIORITY CATEGORY 6 OR 7 BUYER, THEN AFTER 10 YEARS OF OWNERSHIP, OR AT ANY TIME YOU CEASE TO MAINTAIN THE HOME AS YOUR PRINCIPAL RESIDENCE, SITE AUTHORITY WILL HAVE THE RIGHT, AT ITS OPTION, TO BUY BACK THE HOME.

More specifically, the Ground Sublease provides that at any time following receipt by Site Authority of notice of the occurrence of a "Repurchase Option Event" (described below), Site Authority has the right to repurchase the home for a price equal to (a) the lesser of (i) the Maximum Resale Price or (ii) the fair market value of the home, as determined by appraisal, less (b) the amount of the Transfer Fee calculated under Section 2.17 above, if you have received a Housing Cost Subsidy. In order to exercise this option, Site Authority shall first notify you and request that you select an appraiser from the list of appraisers supplied by Site Authority to appraise Approved Capital Improvements. You will then have ten (10) days to notify Site Authority of your selection. If Site Authority does not receive your selection by that time, it will select an appraiser to appraise the Home. When complete, the appraisal will be provided to you and be paid for by Site Authority. Site Authority may then exercise the option to repurchase at any time within 90 days after receipt of the appraisal by giving you written notice. The repurchase shall then occur not earlier than 180 days and not later than 210 days after the date of the exercise notice, through Escrow Holder, or such other title company selected by Site Authority. You, as the seller, will be responsible for County transfer taxes, the premium on a standard owner's policy of title insurance and 1/2 the escrow fee. If Site Authority elects not to purchase after it receives the appraisal, it may nevertheless do so at any later date by starting the process over and having the Home reappraised.

The affected Buyer or their personal representatives will be responsible to give written notice to Site Authority if a Repurchase Option Event occurs. The Repurchase Option Events are as follows:

REPURCHASE OPTION EVENTS.

A. For homes with at least one owner who was a priority category 1, 2 or 3 Buyer or who was not a CSUCI employee at the time of purchase but thereafter became a full-time CSUCI employee:

(1) 4½ years expire after all owners cease to be employed by CSUCI due to retirement. Retirement means termination of employment at CSUCI after 7 consecutive years of service at CSUCI and being entitled to retirement benefits from the Public Employees Retirement System (“PERS”) and/or the Social Security Administration (“SSA”).

(2) 6 months expire after the death of all CSUCI employee owners and their spouses.

(3) 6 months expire after the remarriage of the surviving spouse of a deceased CSUCI employee who initially bought the unit, provided neither the surviving spouse nor his or her new spouse is then a full-time employee at CSUCI.

(4) 6 months expire after a judgment or order is entered in an action for dissolution of marriage or legal separation granting sole ownership or occupancy of the home to the spouse of the CSUCI employee, who is not then himself or herself a full-time CSUCI employee.

(5) Six (6) months expire after the CSUCI employee or, in the case of his or her death, six (6) months expire after such employee’s surviving spouse, ceases to occupy the home as his or her principal residence, except during a CSUCI approved sabbatical or leave of absence for up to one year, during reconstruction after damage or destruction or while the owner is suffering from Permanent Disability as hereinafter defined.

(6) 90 days expire after all owners cease to be CSUCI employees for any reason other than retirement, death, or Permanent Disability.

(7) 30 days expire after the CSUCI employee and his or her spouse cease to own more than a 50% interest in the property as a result of any voluntary or involuntary conveyance, which is not approved in writing in advance by Site Authority, whether by gift, execution sale, foreclosure, operation of law, or otherwise. However, the following “Allowed Transfers” will not be deemed to be a conveyance for this purpose: (i) a transfer to an inter vivos trust for which the CSUCI employee and/or his or her spouse is the trustee with the exclusive right to live in the house for life, or (ii) a transfer of a remainder interest to a spouse and/or linear descendants reserving a life estate and the exclusive right of occupancy, or (iii) a transfer into joint tenancy with the owner’s spouse or linear descendants, with an agreement giving the owner the exclusive right to live in the unit for life, or

(iv) a transfer of less than a 51% co-tenancy to spouse and/or linear descendants, reserving exclusive occupancy for life.

B. For homes bought by non-CSUCI employees who were priority category 4, or 5 Buyers:

(1) 6 months expire after the home ceases to be the principal residence of the person or persons owning more than a 50% interest in the property at the time of purchase (the "Initial Owner"), except during reconstruction after damage or destruction.

(2) 6 months expire after the Initial Owner and his or her spouse dies.

(3) 30 days expire after the Initial Owner ceases to own at least a 50% interest in the property, as a result of any voluntary or involuntary conveyance (other than an Allowed Transfer described above), which is not approved in writing in advance by Site Authority, whether by gift, execution sale, foreclosure, operation of law, or otherwise.

(4) 10 years expire after the Initial Owner(s) who had priority due to their employment status (category 4 or 5), cease to be employed by the employer that gave them that status for any reason.

C. For homes bought by CSU graduates and members of the general public who were priority category 6 or 7 Buyers:

(1) 10 years expire after close of escrow.

(2) 6 months expire after the home ceases to be the principal residence of all of its Initial Owners, except during reconstruction after damage or destruction.

A "Permanent Disability" that causes a CSUCI employee to terminate such employment for purposes of Sections 1e above, to cease living in the home as the owner's principal residence, (and which, therefore, does not cause such occurrence to be a Repurchase Option Event), means any physical or mental condition that renders the employee permanently unable to work in any gainful employment. Permanent Disability shall be established if determined by any disability insurance carrier, PERS or SSA, or by any California licensed physician appointed by Site Authority after examining the employee and his or her medical records (which shall be consented to by the employee), which examination shall be performed after not less than 1 year after the employee ceases to be employed or live in the home. If a person is determined to have a Permanent Disability and

recovers sufficiently (as determined by a Site Authority appointed California licensed physician), to be employable, then such recovery shall be deemed as the Repurchase Option Event.

Site Authority has set aside approximately 15% out of all the for-sale units built in University Glen, to be exempt from the Repurchase Option Event provisions described in section 3.3.A(1) above and the Supplemental Ground Rent provisions of subleases described in section 3.3.2 below, applicable to retirement, on a first come first served basis for priority category 1, 2 and 3 Buyers who desire to be exempt from such section. In such cases the Repurchase Option Events or Supplemental Ground Rent Events, as applicable, after retirement will only be death of both spouses, remarriage of a surviving spouse, a dissolution decree, or change of principal residence as described in sections A(2), (3), (4) and (5) above, and not retirement alone. Full-time CSUCI employees who buy units after this 15% set aside group of homes has been sold, and who desire to become entitled to this same exemption, may put their name on a waiting list as of the date and time that they sign the Purchase Contract. Thereafter, if any unit with this exemption is subsequently resold, to Site Authority or anyone else, or should a retired person with this exemption die, then the first Buyer on this waiting list will be granted the same exemption on his or her unit on a first-come, first-served basis.

If any home is voluntarily sold to a person who is a priority category 1, 2, 3, 4, or 5 Buyer, he or she shall be subject to the same repurchase option upon the occurrence of any Repurchase Option Event described in sections 1 and 2 above, which shall apply to such new Buyer just as if he or she was the original purchaser. If any home is sold to a CSU graduate or a member of the general public (priority category 6 and 7 Buyers), the Repurchase Option Event under 3.a above shall occur 10 years after close of escrow through which such sale occurred.

IV. MISCELLANEOUS INFORMATION

4.1 Income Tax Considerations. You should be aware that it is possible that the Internal Revenue Service will take the position that homes in University Glen have been purchased at a “bargain price,” and that the difference between the purchase price and the alleged fair market value should be treated as income to Buyers for federal income tax purposes. This is more likely if you are employed by CSUCI or the University. If any amount is treated as income under this theory by the IRS, it likely will also be treated the same way by the Franchise Tax Board and be subject to state income taxes and withholding taxes.

The arrangement under which interests in land and improvements are transferred by Site Authority to Buyers is new and relatively untested. Thus, the value and the exact impact of the various features of the arrangement, and the resolution of these issues, should they be raised, is not free from doubt and ultimately might have to be decided by the courts.

Other similar employee housing programs at state-operated universities in California have not been recharacterized as income-generating transactions by the IRS. Furthermore, there are alternative tax arguments and theories available to rebut the assertion that income should be imputed to Buyers. One reasonable response to the potential IRS position on the value of a home in University Glen would be that, even if the homes are sold at “bargain price” the Homeowner never can realize any bonus value because of the Resale Price restrictions of the Ground Sublease. A second response is that the sale prices of the homes are, in fact, their fair market value because they take into account the resale restrictions imposed and the repurchase option retained by Site Authority.

YOU SHOULD CONSULT WITH YOUR OWN TAX ADVISORS TO DETERMINE THE TAX IMPLICATIONS THAT WILL RESULT IN THE EVENT YOU PURCHASE A HOME IN UNIVERSITY GLEN.

4.2 Title Matters. At closing, Site Authority will convey to each Buyer title to his or her designated home and other improvements on the lot and a subleasehold interest in the lot on which the home is located. Title will be taken subject to (i) the rights and interest of the University as fee owner of the land, and as lessor under the Ground Lease, (ii) the rights and interest of Site Authority as lessor under the Ground Sublease, (iii) all terms and provisions of the Ground Lease and Ground Sublease, (iv) all easements and rights-of-way of record or in existence for cable television, telephone service, gas and electricity, water, sanitary sewers, storm sewers and drains, and easements created under the Ground Sublease, (v) the lien of the tax assessment imposed to secure bonds sold to finance the construction of the University Glen infrastructure (roads, sidewalks, utilities, grading, landscaping, drainage, lighting facilities), (vi) the lien for ad valorem real property taxes on the improvements and the owner’s possessory interest under the Ground Sublease, which will be imposed upon close of escrow, (vii) the standard printed exceptions normally appearing in American Land Title Association standard owner’s policies of title insurance, all matters shown in a Preliminary Title Report that will be delivered to and approved by Buyer as a condition to close of escrow, (viii) a Record of Survey Map and Subdivision Map No. 1 for the Community Development Area at CSUCI, and (ix) such other matters as may be acceptable to you.

Within seven (7) days of “Acceptance” (as such term is defined in the Purchase Contract) of the Purchase Contract, you will be given a Preliminary Title

Report issued by Chicago Title Company or another title insurance company designated by you. This will give you adequate time to satisfy yourself that you will receive marketable title to your home as provided in the Purchase Contract. Should you proceed to the closing, and thereby accept title as reported in the Preliminary Title Report, you will receive a Standard Owner's Policy of Title Insurance with coverage equal to the purchase price. The premium for such title policy will be paid by the Buyer along with the premiums for any additional title insurance coverage required by the lender. If you choose a different title company you will be obligated to pay all closing costs.

4.3 Mineral Rights. Neither you nor Site Authority will own the oil, gas and mineral rights under the land on which your home is located. By the terms of the Ground Sublease, such rights are reserved solely and exclusively to the University. However, the University does not have the right to use the surface of any land in University Glen for oil, gas, or mineral exploration or development during the term of the Ground Lease. It may, however, use other nearby land for such purposes and slant drill under the University Glen land at a depth of more than 500 feet.

4.4 Special Attributes of Attached Homes. Some of the homes in University Glen are attached homes. These include all the Arroyo Town Homes, the Monterey Row Homes and the Rialto Town Homes. An attached home is a single-family residential dwelling situated on a separate lot and sharing a common wall or walls with one or more adjoining homes situated on its (their) own separate lots. The common wall will be deemed a "Party Wall" when discussed elsewhere in this Disclosure Statement and in the Regulations. The general legal rules regarding Party Walls and liability for property damage due to negligence or willful acts or omissions with respect to such Party Walls will apply to you and your neighbors. In University Glen, a Party Wall shall be considered to adjoin and abut the common property line dividing the homes, extending from the bottom of the foundation over the full length and height of the particular Party Wall. As Buyers who share a Party Wall, each Buyer shall have an equal right to the use and enjoyment of the Party Wall, except that each will have an exclusive right to the interior surfaces of the Party Wall within their particular home. Buyers are prohibited from driving nails, screws, bolts or other objects more than halfway through any Party Wall, interfering with the adjacent Buyer's use and enjoyment of the Party Wall or impairing, in any way, the structural integrity of the Party Wall. Except for negligence and intentional acts of one Buyer, the Party Wall shall be repaired, maintained or reconstructed at the joint expense of the adjacent Buyers.

4.5 Rental Rights. Site Authority reserves the right, in its sole discretion, to lease any homes in University Glen, including any homes that it repurchases, to tenants selected by it. If you are a CSUCI employee, you may lease your home only during periods of absence while on an approved sabbatical or leave

of absence for not longer than 1 year, or while you do not live there as a principal residence due to Permanent Disability. Otherwise, Buyer may not rent the Home, although he or she may rent rooms in it.

4.6 Traffic and Parking Regulations. The streets within University Glen are owned and maintained by Site Authority. The streets are patrolled by the Campus Police Department. On-street parking is allowed unless otherwise designated. The California Vehicle Code and posted speed limits are enforced by the Campus Police, who are empowered to give citations just like police anywhere else.

4.7 Public School Information. Public education for grades K-5 will be provided by a nonprofit public benefit corporation which is being formed under a Charter Petition and Agreement between CSUCI and Pleasant Valley School District at a new school to be created and known as the Professional Development Charter School. It will be located at the current Rancho Structural School at 550 Temple Avenue, Camarillo, California. The Pleasant Valley School District will provide public education for grades 6-8 at the Los Altos Middle School at 700 Temple Avenue, Camarillo, California. The Oxnard High School District will provide public education for grades 9-12 at Adolfo Camarillo High School located at 4660 Mission Oaks Blvd., Camarillo, California. However, under the above-referenced Charter Petition and Agreement, the plan is to ultimately create a new school at the CSUCI campus for grades pre-K through 8. The timing is dependent on funding.

4.8 Emergency Services. You should note the following emergency services are available in the vicinity of University Glen:

- All emergencies, anytime 9-1-1
- CSUCI Campus Police located on campus (805) 437-8444
(non-emergency)
- Ventura County Fire Station #50 (805) 389-9710
Camarillo Airport (non-emergency)

This information is accurate as of the date of publication of this Buyer Disclosure Statement. Site Authority cannot guarantee the continued operation of these services or facilities. You are encouraged to verify the exact location of the emergency services and to periodically update this information for your personal needs.

4.9 Prohibition on Firearms. Except as otherwise provided under State Law, firearms are not permitted on the CSUCI campus or anywhere in University Glen. Pursuant to the Ground Sublease and/or the Regulations, Buyers are not permitted to keep firearms in their homes or bring them onto the CSUCI campus

(except such Buyers who are sworn police officers currently employed by government agencies) or on the remainder of the CSUCI campus.

4.10 Restrictions on Access to Adjacent Land. Under the Regulations, Buyers are not permitted to enter onto uncompleted phases of University Glen, whether or not construction activities have commenced, or onto any of the hillside areas surrounding University Glen, owned by the University or others, except on designated walkways, if installed. **EXERCISE EXTREME CAUTION WHILE DRIVING OR WALKING THROUGH ANY CONSTRUCTION AREAS, AND DO SO ONLY ON IMPROVED STREETS AND/OR SIDEWALKS. IF YOU OR YOUR GUESTS OR INVITEES TRESPASS ONTO ANY CONSTRUCTION AREAS OFF OF IMPROVED STREETS AND/OR SIDEWALKS, YOU ASSUME ALL RISK OF INJURY AND LIABILITY WHICH MAY RESULT.**

4.11 Views Not Guaranteed. Neither Site Authority, the University, nor any of their respective directors, trustees, officers, agents, representatives or employees have made or been authorized to make any representations, warranties or promises concerning any view, present or future, that may be enjoyed from any particular home or lot located in University Glen. The view from any such home or lot may change, as it may be affected or obstructed by (a) construction or installation of other homes, recreational or other facilities, utilities, improvements, structures, fences, walls and/or landscaping by Site Authority, the University, owners of homes within or outside University Glen, or other parties, and/or (b) the growth of trees and other vegetation within or outside University Glen, and/or (c) changes in the Specific Reuse Plan and/or the Campus Master Plan and the development and/or redevelopment of the CSUCI campus and/or parts of University Glen into uses not now contemplated, all of which may be accomplished in the sole discretion of Site Authority and/or the University without any liability to any Buyers at University Glen.

V. PRINCIPAL LEGAL DOCUMENTS

5.1 Legal Document List. The principal legal documents that will govern your rights and obligations as a Buyer in University Glen include all the documents listed in the first paragraph of this Buyer Disclosure Statement. Significant provisions of those documents are addressed in this Section.

YOU SHOULD READ EACH OF THESE DOCUMENTS CAREFULLY, AS THEY AFFECT YOUR RIGHTS AND IMPOSE VARIOUS LEGAL OBLIGATIONS UPON YOU. WHILE THE FOLLOWING SUMMARIES ARE PROVIDED FOR YOUR CONVENIENCE, READING THEM IS NO SUBSTITUTE FOR CAREFULLY REVIEWING THE DOCUMENTS THEMSELVES, AS THIS BUYER DISCLOSURE STATEMENT IS NOT A CONTRACT AND IS NOT A PART OF

THE AGREEMENT BETWEEN SITE AUTHORITY AND THE HOME BUYER. YOU MAY ALSO WISH TO HAVE THESE DOCUMENTS REVIEWED BY YOUR ATTORNEY.

5.2 Home Purchase Contract and Escrow Instructions. The Purchase Contract, which you will be required to sign, memorializes your legal obligation to purchase a designated home in University Glen and defines your rights and obligations prior to the closing of escrow. Significant provisions include the following:

5.2.1 Purchase Price and Closing Costs. The Purchase Contract will set forth the purchase price that you agree to pay for the home that you select (the "Purchase Price"). The Purchase Contract will also obligate you to pay certain closing costs, required reserves and prorations. Such amounts may include, without limitation, the premium on the owner's policy of title insurance, the escrow fee, documentary transfer taxes, the Maintenance Rent, prorated as of closing for the rest of the month plus such rent for the next month, and any special delivery charges. In addition, your lender will require that you pay certain costs related to its requirements, which may include real estate tax impounds, hazard and fire insurance premiums, credit report and appraisal fees, lender's title insurance, loan origination (points) and/or processing fees.

5.2.2 Earnest Money Deposit. At the time you execute the Purchase Contract, you will also be required to pay an earnest money deposit into escrow at Escrow Holder. At the closing, the amount of your earnest money deposit will be credited against your Purchase Price.

IF YOU DEFAULT UNDER ANY OF THE TERMS OF THE PURCHASE CONTRACT, THE AMOUNT OF YOUR EARNEST MONEY DEPOSIT WILL BE RETAINED BY SITE AUTHORITY AS LIQUIDATED DAMAGES. YOU ARE ENCOURAGED TO CAREFULLY REVIEW THE PROVISIONS OF THE PURCHASE CONTRACT.

5.2.3 Closing Date. The Closing Date will be as specified in the Purchase Contract.

5.2.4 Title Insurance. As mentioned elsewhere in this Buyer Disclosure Statement, Buyer will pay the cost of an American Land Title Association Standard Owner's Policy of Title Insurance issued by Escrow Holder, or another title insurance company designated by Site Authority, together with premiums for any policy of title insurance required by the home loan lender. Site Authority will have no responsibility or liability to you or your lender with respect to the lender's policy of title insurance, or otherwise with respect to your loan, which you are responsible to obtain.

5.2.5 Conditions. Your obligation to purchase the home under the Purchase Contract may be made contingent on your ability to obtain a commitment for financing the home on specified terms, or on certain other contingencies. Please refer to the Purchase Contract for particulars.

5.2.8 Inspection and Warranties. You will be responsible for performing, prior to the Closing Date, a diligent and complete inspection and investigation of all conditions and matters affecting the home and the underlying land to your satisfaction.

5.3 Ground Sublease. The Ground Sublease is the legal document by which a leasehold interest in the land underlying your home will be conveyed by Site Authority to you. It is also the principal document by which various use restrictions and other requirements are imposed upon you as a Buyer. Homeowners will execute the Ground Sublease, attached as Exhibit E. In addition to the material restrictions on resale as discussed in Section 3 above, the major provisions of the Ground Sublease form include the following:

5.3.1 Term. The term of the Ground Sublease commences on the date of close of escrow and runs until midnight on October 1, 2096. At that time, the owner of the home will be required to vacate and the home and all improvements will belong to Site Authority without making any payment.

5.3.2 Maintenance Charges as Rent. The Ground Sublease obligates you to pay a prorata share of the cost of the repair, replacement and maintenance of a Common Area, and if you plan on buying an attached unit, for the exterior, roof and structural components of the attached unit, and for casualty insurance covering the unit. The method by which the pro-rata share of homeowners of various types of units in the Project are established, is attached as an Exhibit to the Ground Sublease.

5.3.3 Utilities. Each Buyer agrees to pay for all utility services used by the Buyer (other than water and trash collection paid for as part of Maintenance Rent), and must arrange for service with the utility companies within 3 business days after close of escrow.

5.3.4 Taxes and Assessments. Each Buyer will be responsible for payment of real property taxes and assessments that may be imposed on such Buyer by reason of such Buyer's ownership of the home and subleasehold interest in the land underlying the home, commencing on close of escrow.

5.3.5 Property Insurance. During the term of the Ground Sublease, each owner of a detached home is obligated to insure the home against casualties,

by extended homeowner's insurance which may, at the Buyer's option, include earthquake and flood coverage. Such insurance is required to be in an amount not less than 100% of the full insurable replacement cost of the home and other improvements and personal property, less standard deductibles. As to the attached homes, Site Authority will obtain blanket insurance coverage comparable to the insurance that Buyers otherwise would be required to obtain and will assess Buyers for their pro rata share of the costs of such insurance coverage as additional Maintenance Rent. Buyers are not permitted to separately insure their home or other improvements to the extent covered by such blanket coverage. If a Buyer fails to obtain insurance coverage as required, Site Authority may do so and charge the Buyer as added rent. All insurance proceeds paid under such property insurance, regardless of who purchased it, must be used to pay for the costs of replacement or repair of any damaged improvements and otherwise are subject to the rights of your mortgage lender. In addition to the insurance coverage discussed above, you should obtain Buyer's insurance covering the contents and interior of your home. All insurance policies (except insurance on the Buyer's personal property) must provide that the same cannot be cancelled or modified without 30 days prior written notice to Site Authority, and a certificate of coverage and/or a copy of the policy, if requested, must be provided to Site Authority.

5.3.6 Liability Insurance. Buyers are obligated to purchase and maintain during the term of the Ground Sublease comprehensive personal general liability insurance with single limit coverage of at least \$500,000 per occurrence insuring against bodily injury, death and damage to property with California licensed insurers, naming Site Authority and the University as additional insureds.

5.3.7 Maintenance. The interior of all homes of all types is the responsibility of the Buyer. The Buyers of attached units are also solely responsible for all replacement, maintenance and repair of the interior, including the electrical, plumbing, and HVAC systems, damaged or destroyed by any casualty or cause whether or not covered by insurance, including but not limited to fire, earthquake, wind, rain, terrorist attack or otherwise. The Buyers of detached units are responsible for all maintenance, repair, and replacement of their homes in their entirety, regardless of the cause and must replace or repair any damaged or destroyed home as soon as reasonably possible.

5.3.8 Easements. Site Authority reserves an easement across each Buyer's property for maintenance and upkeep purposes, and for such other purposes as are more specifically set forth in the Ground Sublease. Site Authority also reserves the right to grant easements to utility companies and public agencies for the purpose of installing, operating and maintaining utility lines and conduits.

5.3.9 Principal Residence Requirements and Renting. The Ground Sublease requires that all homes be used as the principal residence of all Buyers.

Homes in University Glen may not be rented except on a short-term basis, for no longer than 1 year, while the Buyer, who is a CSUCI employee is away from the campus on a CSUCI approved sabbatical, or during Permanent Disability. Any rentals must be handled by Site Authority and offered for lease using the priority system in the CSUCI Faculty/Staff Rental Program, but shall, in any case, be of short duration, consistent with the home remaining as the owner's principal residence. Other Buyers may not rent their homes, except Buyers may permit rooms in their homes to be rented or occupied. Site Authority may promulgate further regulations regarding home rentals.

5.3.10 Nonsubordination and Financing Provisions. The Ground Lease and the Ground Sublease are prior liens against a Buyer's rights in the land underlying his or her home. Neither the Ground Lease nor the Ground Sublease may be subordinated in any respect to any mortgage financing that may be obtained by the Buyer. A Buyer is permitted to assign his or her ownership interest in his or her home and his or her subleasehold interest in the underlying land as security to a mortgage lender pursuant to the terms of a deed of trust, provided he or she gives prior notice to Site Authority so it can record a Request for Special Notice regarding any default under such deed of trust.

5.3.11 Default by Buyer Under Ground Sublease. In the event that a Buyer fails to remedy any default in the payment of any amount due under the Ground Sublease for 30 days after notice of such default, or shall fail to remedy any default in the performance of any other covenant of the Ground Sublease within 60 days after notice of the same to the Buyer and his or her lender, Site Authority shall have the right to terminate the Ground Sublease and the Buyer's right to possess the subleased property and home. If Site Authority terminates the Ground Sublease by reason of a default of the Buyer, Site Authority may recover from the Buyer (i) unpaid rent earned at the time of termination, (ii) all other amounts owed to Site Authority, (iii) any other amount necessary to compensate Site Authority for damages proximately caused by the Buyer's failure to perform his or her obligations under the Ground Sublease, and (iv) its attorneys' fees and costs. After receipt of such notice, and before termination of the Ground Sublease, any lender may cure any default under the sublease on behalf of the owner.

5.3.12 Default by Site Authority. The University has agreed not to take any action to terminate the Ground Sublease because of a default or breach by Site Authority of its obligations under the Ground Lease. In the event that the University elects to terminate the Ground Lease, the University has agreed that the Ground Sublease shall continue in full force and effect, provided that the Buyer is not then in default and agrees to recognize the University as lessor under the Ground Sublease.

5.4 Common Area Property Use and Maintenance Regulations. The Regulations are a part of the Ground Sublease (and are included as an Exhibit to the Ground Sublease). The Regulations are the primary means by which property use and maintenance of the Common Area are regulated. They govern the uses permitted on the Buyer's leasehold; they impose design and architectural controls with respect to further construction and improvements; and they mandate basic standards for the maintenance and upkeep of homes in University Glen. The Regulations may be modified from time to time by Site Authority, in its sole discretion, and are the equivalent of "covenants, conditions, and restrictions" that might be imposed in more conventional subdivision developments through use of a master deed or protective covenants. The major provisions of the Regulations include the following:

5.4.1 Restrictions Respecting Construction and Improvements. The Regulations prohibit the construction or erection of any structure on any subleased parcel of land within University Glen, as well as the alteration of any existing structure if such activity would (i) affect the exterior appearance of any structure or parcel, or (ii) affect the structural integrity of any structure, unless plans and specifications for such work have been submitted to and approved in advance by Site Authority. The Regulations specify the materials that must be submitted with all such applications and require that adjoining Buyers be notified of any pending applications.

5.4.2 Restrictions Respecting Use and Maintenance. The Regulations set forth, in considerable detail, specific rules respecting various aspects of use and maintenance of property within University Glen. These rules include specific provisions respecting changes to drainage and erosion control; landscape installation and maintenance; trees; television and radio antennae and satellite dishes; flagpoles; signs; setbacks; walls; parking, storage, and repair of vehicles, including RV's, and boats; exterior lighting; mailboxes; outside storage; animals; poles and wires; window coverings; water softeners; pests; solar energy systems; general maintenance standards and architectural guidelines for home modifications.

5.4.3 Party Walls. The Regulations have specific provisions regulating Party Walls. Generally, the Regulations apply existing law in this area, but make special provision for damage arising to Party Walls as a result of the negligence or deliberate action of less than all of the users of such common structures.

5.4.4 Enforcement Procedures. The enforcement powers granted to Site Authority under the Regulations are quite broad. They include a "right of abatement," pursuant to which Site Authority may, after due notice to the Buyer concerned, enter upon a Buyer's property and undertake needed maintenance

activities -- e.g., removing trash or cutting grass on a lawn, taking out insurance that the Buyer is obligated to maintain, or doing necessary repair, replacement or maintenance. In addition, fines for violations of the regulations may be imposed after notice and opportunity to be heard. In such cases, Site Authority is empowered to levy a special rental assessment against the responsible Buyer for the costs incurred by Site Authority in taking such action.

5.4.5 **Firearms.** The Regulations and the Ground Sublease prohibit all Buyers (except currently employed members of law enforcement agencies) from bringing any firearms, explosives, or explosive devices into the Homes or any place else on State owned property. Doing so is also a crime.

VI. **PHYSICAL CONDITIONS DISCLOSURE**

The Site Authority has not resided in the home, but has merely taken ownership of the home from the prior owner. Site Authority has no duty to investigate or inspect the condition of the home; however, Site Authority may have a member of its sales staff perform only a visual inspection of the home. Such sales staff member is not a licensed or professional home inspector. Any disclosures made by Site Authority as part of the sale of the home to a tenant will be made without the benefit of having occupied the home or performing a professional inspection. If the Buyer is not the Tenant the Site Authority will be conducting an inspection to prepare the disclosure statement required by law. You are purchasing the home “as-is”, subject to Section 7.1.

6.1 Drainage. Proper surface and underground drainage of water from all lots into the streets has been established. Any modification to the established drainage patterns or devices may cause significant and permanent damage to the home, to other homes, or to both. It is Buyer's sole responsibility to take precautions to insure that Improvements such as walkways, landscaping, patios, decks, planters, etc., are planned so as not to alter the drainage on the lot. Buyer should consult a professional before making any such plans, and shall obtain Site Authority approval before doing any such work.

6.2 Utility Easements and Facilities. The lot will be subject to easements and/or other rights in favor of utility companies, and the Site Authority. These easements and rights may include access onto the lot for purposes of installing, constructing, inspecting, maintaining and repairing facilities which are customary for residential developments (including, but not limited to, water lines, sewer lines, electrical lines and facilities, natural gas pipelines, telephone lines and facilities, cable television lines, street lights, mailboxes, traffic signs, fire hydrants, gas meters, etc.). These facilities may be located above ground or below ground. In either case, the foregoing easements and facilities may restrict the use and type of

improvements Buyer can make to the lot, and the utility company or the Site Authority will have the right to remove Improvements made by Buyer over their easement area without any obligation to repair or restore such Improvements. Buyer should review the policy of title insurance for the lot to determine what easements and other rights, if any, affect the lot.

6.3 Concrete Slabs. Although Site Authority has constructed each home in accordance with professional recommendations to prevent structural damage, this does not preclude the possibility that "cosmetic distress" may occur. For the construction of the foundation for the living units, Site Authority, in consultation with its engineers, has elected to utilize a single foundation system that meets the requirements for the types of soils conditions encountered. That system is known as a post-tensioned slab and has been designed and will be constructed in accordance with applicable building codes. After the concrete slab has cured, steel cables within the slab are mechanically stretched or tensioned to reinforce the slab. BECAUSE THESE CABLES ARE UNDER TENSION WITHIN THE SLAB, HOME BUYERS SHOULD NOT ATTEMPT TO CUT THROUGH THE SLAB FOR ANY REASON. WORK INVOLVING THE FOUNDATION OR SLAB SYSTEM SHOULD ONLY BE PERFORMED BY LICENSED CONTRACTORS WHO HAVE BEEN INFORMED THAT THE SLAB IS POST TENSIONED AND WHO HAVE IDENTIFIED THE LOCATION OF THE CABLES RUNNING WITHIN THE SLABS.

6.4 Soil Conditions. Before submitting any plans to Site Authority for approval to construct any patio, concrete or other flatwork on the lot, Buyer must consult with a licensed soils engineer to ensure that such Improvements are constructed correctly in light of existing soils conditions. Although consulting with a soils expert may add substantially to the cost of installation of these Improvements, failure to do so may result in significant breaking, lifting, separating, tilting and/or cracking in the Improvements on the lot.

6.5 Homesite Settlement. Generally, homesites in fill areas, or in areas underlain by materials other than bedrock, will settle over time. This settlement is a natural and predicted occurrence and should be expected throughout this development. In these areas, the settlement is sometimes not uniform. The difference between the areas of settlement is what is termed differential settlement. Homes in the site have been constructed as prescribed by professional consultants to mitigate the effects of differential settlement, utilizing a post tensioned foundation system. This foundation system is designed to keep foundation and slab distortion within a tolerable limit. The limit is judged sufficient to reduce the potential for structural damage to the home. Some degree of minor tilt which may be measurable but not usually visibly noticeable as well as minor cosmetic distress may occur.

6.6 Certification of Water Heater Strapping. Site Authority has braced, anchored or strapped all waterheaters to resist falling or horizontal displacement due to earthquake motion in accordance with the provisions of Section 19210 et seq. of the California Health and Safety Code.

6.7 Stucco, Plaster and Grout. Buyer should be aware that cracks will occur in his or her stucco and plaster exterior, specifically at stress points in the home. Cracks may also occur within the grout of the exterior stone veneer in certain areas. This is normal in all cementation materials. Certain exterior walls may incorporate a "smooth trowel" plaster finish. Buyer should be aware that such finishes are particularly susceptible to cracking, but that such cracking normally will not affect the integrity of the structure and is part of the natural look of such finish.

6.8 Exterior of Structure. The exterior of the structure of your home has been designed to protect against the elements under normal circumstances. Therefore, it is essential for proper functioning of the external materials that the integrity of the structure not be compromised by penetrations when installing patio covers, wiring, decorative items or other improvements. When penetration of the exterior structure is necessary, care must be taken to insure that the penetration does not allow for the entry of moisture, dirt and other foreign materials. You are further advised that penetrating the exterior of the structure may invalidate certain warranties provided by the manufacturers of the building materials and/or the processes applied to the structure.

6.9 Property Boundaries. The field location of all property boundary walls/fences are within a one-foot tolerance of the actual property lines per the recorded Subdivision Map.

6.10 Elevations. In order to provide diversity for the street scene, the architects may have produced more than one exterior elevation for the front of each floor plan. Consequently, you may notice interior and exterior changes between another home of the same type as yours and your particular elevation. These may include such items as sloped ceilings, veneer treatments, window locations and sizes, interior and exterior wall and roof lines, and color schemes.

6.11 Exterior Colors. Great care and consideration has gone into selecting the exterior colors for the homes within University Glen, and such color scheme may not be changed by any homeowner without the approval of Site Authority. Even though Site Authority strives to match the color of each home to the color chart, slight variations may occur. Site Authority reserves the right to revise all or part of the designated color schemes for future repainting projects, by homeowners, or in connection with any repainting done by Site Authority, at its discretion.

6.12 Insulation. Ceiling area exposed to the attic in the home was insulated with unfaced batts type insulation to a thickness of 6"-10", which according to the manufacturer will result in an R-value of R-19 or R-30. Knee walls exposed to living areas and garage-to-house walls were insulated with kraft unfaced batts type insulation to a thickness of 4", which will result in an R-value of R-13. Lastly, exterior walls exposed to living area and rim joists were insulated with unfaced R-30 batts insulation to a thickness of 4".

6.13 Adjustments. A home is a very unique product. Engineered with approximately 3,000 component parts, many of them natural materials, all homes are subject to changes in the first several months as materials dry out and naturally settle. Such settlement occurs in virtually all construction. During this process, natural phenomena, such as small hairline cracks, lumber shrinkage, joint separations and slight re-alignments of moldings, trims and door jams, may appear in the home. In addition, various appliances and operating components of the home may also require fine tuning or adjustment after initial move-in.

6.14 Electrical Outlets in Garage. Please be advised that the Uniform Building Code requires that electrical outlets in garages be provided with ground fault interrupter switches. These circuits are not intended for use with any appliances, especially refrigerators, freezers and aquariums, or for any service for which an interruption of electrical power would cause a problem. **SITE AUTHORITY STRONGLY RECOMMENDS THAT YOU NOT USE GARAGE CIRCUITS FOR APPLIANCES OR FOR ANY SERVICE THAT WOULD BE HARMED BY AN INTERRUPTION OF ELECTRICAL POWER.** Site Authority cannot be held responsible for any consequence or damage or injury caused by, or contributed to by, power interruption, including the contents of appliances which are damaged because of the ground fault interrupter switches shutting off power, nor can Site Authority be held responsible for damage to the appliance units themselves. **PLEASE CHECK WITH YOUR ELECTRICIAN FOR FURTHER INFORMATION.**

6.15 Proposition 65 Disclosure Statement. Each Buyer acknowledges that he/she has read the posted warning related to exposure to chemicals known to cause cancer, birth defects or reproductive harm.

6.16 Floor Noises. During construction of a home, every attempt is made to insure that all floor joists and sheathing are screwed off completely. Due to temperature variations plus normal expansion and contraction due to seasoning of materials in a home, the second story floor may at some time develop squeaking and/or noisy areas. Floors in your home may not be completely free from noises, or squeaks.

6.17 Satellite Dish Corridors. Satellite dish antennae may be installed and used only if approved under the Regulations. However, Site Authority can provide no assurances or guarantees that any satellite dish or other antenna installed within University Glen will not be obstructed now or at a later date by the installation and maintenance of Improvements within and outside of the development, including, without limitation, homes, walls, fences, trees and other landscaping.

6.18 Intentionally Deleted.

6.19 As-Built Conditions. Various engineering and architectural plans pertaining to the development, including, but not limited to, subdivision maps, grading plans, plot plans, improvement plans and building plans (collectively, "Plans"), contain dimensions regarding certain aspects of the development. If there is a discrepancy between the Plans and the actual as-built conditions of the lot and the home, the as-built conditions will control. The depictions of the homes are for illustrative purposes only, and in the event of a conflict between such depictions and the actual as-built conditions of the lot and the home, the as-built conditions will control. The usable or buildable area, location and configuration of the lot and all improvements located thereon may differ from that shown or displayed to Buyer in any drawings, plans, topographic maps or models.

6.20 Intentionally Deleted.

6.21 Changes In Development Plan. The residential real estate market continually fluctuates due to changes in economic, social and political conditions, which directly and indirectly affect the supply of and demand for housing. As a result, the development plan for the development and home prices, as well as the terms and conditions of sale, are subject to change. In light of the foregoing:

(a) Intentionally Deleted.

(b) Site Authority may offer prices, incentives and/or other terms and conditions of sale that vary in amount or type to different Buyers;

(c) Site Authority is not obligated to offer any Buyer the same price, incentives and/or other terms and conditions of sale that Site Authority has previously offered or may subsequently offer to another Buyer; and

(d) Site Authority has neither offered nor agreed to any price protection or other similar commitment to Buyer regarding the value or resale value of the unit (or any other property), and Site Authority shall not have any obligation or liability whatsoever to Buyer in the event any price changes directly or indirectly affect the value of the unit.

6.22 Intentionally Deleted.

6.23 Windows. Windows will vary by elevation and floor plan. All the standard windows in the home will be of equal quality, but they may vary in style to suit different elevations. Window jambs and sill dimensions vary by elevation. Buyer must periodically maintain the windows to ensure their continued performance, including without limitation, cleaning the tracks and weep holes and restoring the seals with caulking. Buyer is encouraged to speak with a sales representative if Buyer has any questions regarding Buyer's responsibilities.

6.24 Window Tinting. The manufacturer of dual glazed windows will not warrant these windows if a tinting has been added to them. Tinting causes heat gain between the glass panels, which may result in the failure of the window. Such failure can result in water intrusion, cracks in the glass, or, in extreme cases, the dual glass unit can explode. Buyer acknowledges that neither Site Authority nor the manufacturer of the dual glazed windows is responsible for water intrusion, breakage, or other damages caused by tinting the dual glazed windows. Tinting is also prohibited by the Regulations.

6.25 Front Doors. Front doors will vary by elevation and floor plan. Standard doors included with the purchase of the home are of equal quality, but will vary in style to suit different elevations. Certain door styles, such as those distressed or antiqued for decorative accent, may differ in appearance from the doors installed on other homes of the same type as yours. Buyers of detached units must periodically inspect and refinish their doors to counteract the varying effects of sunlight and exposure to the elements. Exterior doors may need refinishing as often as every six months.

6.26 Volume Ceilings. Ceiling heights and configurations may vary significantly by elevation. The home's ceiling heights may be different from those used in other homes of the same type. You are encouraged to speak with a sales representative if you have any questions.

6.27 Gutters. Roof gutters and downspouts may be installed by Buyers to improve drainage. Roof gutters and down spouts should be tied into an area drain system or diverted to swales that will drain into the streets, if permitted. Site Authority is not responsible for any damages caused by your failure to properly direct drainage from roof gutters and downspouts which have been installed by you or on your behalf.

6.28 Roofs. The color of the roof may be altered as a result of exposure to sunlight. The color consistency of the roofing materials cannot be guaranteed due to natural variations in the raw materials used or resulting from the manufacturing

process. The roofing chosen is specific for each individual home, and cannot be changed by Buyer.

6.29 Energy Conservation. The homes in University Glen meet or exceed the energy conservation standards that are part of Title 24 of the California Administrative Code.

6.30 Cable Television. All homes in the development are pre-wired for cable television. Cable television service may be furnished by a cable company. However, Site Authority makes no representation as to when or if cable television service will be available or any representation as to the quality of television reception or cable service and, as with other utilities (i.e., water, gas, electricity, telephone service, etc.), Site Authority has no control over the rates or the services furnished.

6.31 Mailboxes and Utilities. Mailboxes may be clustered in groups or pairs. The actual location of mailboxes and utilities may be modified without prior notice to Buyers as may be dictated by field conditions.

6.32 Gas Barbecue Stub. Any exterior gas stub that may be provided with the home is suitable only for use in connection with a gas barbecue. Any other use, i.e., spa or pool heater, etc., may result in a serious fire hazard. Site Authority is not responsible for any damage resulting from Buyer's use of any exterior gas stub.

6.33 Paint Discoloration. The home has been professionally painted. Certain portions of the home, such as interior walls, paint-grade cabinets, casework, moldings and interior doors, may be painted with water-based acrylic enamel paint. Yellowing is common with water-based acrylic enamel paints. Additionally, if the home has white water-based acrylic enamel paint-grade cabinets, yellowing will occur over time.

6.34 Variations In Natural Materials. Many natural materials have been used in the construction of your chosen residence. As is common with such natural materials, there are numerous variations in the color, shading, texture, and other characteristics of such materials. For example, wood products hold a natural beauty that cannot be duplicated. Some of the natural characteristics of wood will show through the painted or stained finish. There may be shades of white, red, black, gray or even green in areas. Mineral streaks may also be visible. This is caused by an irregularity of mineral absorption from one part of the tree to another. As a result, grain patterns or textures will vary from even to irregular throughout your cabinetry.

Similarly, granite and natural stone products are composed of various mineral contents and are formed over millions of years. They are products of exceptional beauty and durability. Marble is less dense and more porous than granite. Great care must be taken to prevent damage to marble and other natural stone products. Please see the manufacturer's recommendations for cleaning and maintenance. Because these are natural products, they are subject to variation in color, veining, spotting, holes, cloudiness, texture and cracking. Some may vary significantly in filler and sheen.

6.35 Brass Plumbing/Light Fixtures/Hardware. Brass, bronze or other finishes have their limitations. In time, the protective lacquer may deteriorate from exposure to weather, perspiration, cleaning agents, frequency of use and other factors. Tarnishing or excessive wear of these finishes is, therefore, not a defect, but a normal process that is unavoidable. These finishes cannot be guaranteed. For additional information, you should consult the relevant manufacturer's warranty.

6.36 Stain Grade Material Discoloration. Natural hardwoods used for cabinets, doors, stair systems, moldings, etc. are finished with stain and lacquer finish products which will change color over time. Color change may be the result of exposure to sunlight or weather, or simply the consequence of aging. Discoloration is not a defect.

6.37 Drywall Panels and Finishes. Drywall panels will not completely eliminate variations in the dimension and plane of wood framing members. In some cases, the normal finishing of joints, fasteners, and seams will cause a subtle "bulge". In certain lighting conditions (e.g., up-lights placed close to the walls), irregularities and variations in the wall plane or intersection of vertical and horizontal panels may be evident. These variations are normal.

6.38 Intentionally Deleted.

6.39 Benefit of Home Ownership. Although the purchase of a new home has traditionally been considered a wise decision, Site Authority has made no representations, guarantees or warranties to you with respect to the tax, investment or other benefits of home ownership or regarding appreciation in the value of your equity in the home.

6.40 Notice of Sex Offender Database. As required by law, Site Authority hereby provides this notice to potential Buyers regarding the existence of public access to database information concerning sex offenders.

Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at

www.meganslaw.ca.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides.

Site Authority makes no representations, warranties, or guarantees regarding the presence or absence of registered sex offenders within University Glen or on the CSUCI Campus or in the surrounding area, and has no obligation or duty to investigate existing residents or Buyers to determine whether they are sex offenders, and does not intend on doing so. You are solely responsible for making your own investigation.

6.41 Assumption of Risk and Liability. By acceptance of this Buyer Disclosure Statement, you assume all risk and liability for injuries to persons and property that may be sustained by Buyer, members of Buyer's family and Buyer's guests and invitees by reason of all conditions or circumstances disclosed in this Buyer Disclosure Statement.

VII. NO REPRESENTATIONS

7.1 No Authority to Make Statements. No sales person, employee or agent has the authority to make any promises to you contrary to the above statements. Your signature below is your acknowledgment that no such contrary promises or representations have been made to you and that you have not relied upon any such promises or representations in making your decision to purchase. If this is not the case, please indicate below any representation or promise made by a salesperson, employee, agent or representative upon which you are relying that is not set forth in the Purchase Contract, the Regulations, the Ground Sublease or this Buyer Disclosure Statement. You further acknowledge and agree that the home is to be purchased, conveyed, and accepted by you in its present condition, "AS-IS," "WITH ALL FAULTS" and that no patent or latent condition of the home or underlying land, whether or not known or discovered, shall affect the rights of either you or Site Authority. You are responsible for investigating and knowing the governmental laws and regulations to which the property may be subject, and you are acquiring the home on the basis of your review and determination of the application and effect of such laws and regulations. You further acknowledge that you have not received nor relied upon any representations concerning such laws and regulations made by Site Authority, or its employees, agents, or any other person acting on behalf of Site Authority. You acknowledge that you will not rely upon any other information provided by Site Authority, or its employees, agents or representatives, including without limitation, any measurements or representations provided by Site Authority or any of its employees, agents or representatives. You also acknowledge that Site Authority makes no representations as to the accuracy

or completeness of any third party report you receive from Site Authority or from any other source, including without limitation, any report or study. You acknowledge that the purchase price might be higher if you were not acquiring the home in such an "AS-IS" condition.

7.2 Prior Information. This Buyer Disclosure Statement and the copies of the documents delivered herewith supercede and replace all prior and other documents and information of any kind, in whatever form, oral or written, that you have received regarding University Glen and this home purchase program (including, without limitation, any market research documents, program planning documents, program descriptions and presentations, documents and brochures). This Buyer Disclosure Statement and the copies of the documents delivered herewith should be the only materials and information you rely upon in making a decision to purchase a home, other than the advice of your attorney and tax advisor.

* * *

For further information with respect to University Glen or any of the information set forth in this Buyer Disclosure Statement, you may contact the Sales and Information Center on site.

Name (Please Print)

Signature

Date: _____

Name (Please Print)

Signature

Date: _____