

WORKSHEET – ADDITIONAL SPECIAL NOTES

RE 622C (Rev. 8/25)

SUBDIVISIONS

Completion Instructions

- Most public report “special notes” are listed on the appropriate public report or permit worksheet (RE 622A, 622B, 622E, etc.). This form contains additional, but infrequently used, “special notes”.
- When one or more special notes are needed: 1) complete check boxes and blanks as noted below; 2) enter the special note “number” in the appropriate location on the worksheet and 3) submit this form with the appropriate worksheet for public report or permit preparation.
- A ♦ indicates instructions to the person completing this form.
- Check the ☐ at the beginning of the sentence or paragraphs if the sentence or paragraph(s) should be included in the preliminary or final public report.
- When there are variables within a sentence check the appropriate ☐ to make the sentence accurate and complete.
- Complete blank lines when appropriate.

1. ♦ *Use the following when issuing an amended public report.*

- ☐ This amended report covers only lots # _____ of the original subdivision which contained _____ lots.

2. ♦ *Use the following when issuing a public report for a raw land offering.*

- ☐ This property is undeveloped RAW LAND and may only be offered as such. No representations may be made by subdivider or agent that the property may be used for any purpose. Prospective purchasers are urged to visit and inspect the property before entering into any binding agreement to purchase.

In a RAW LAND subdivision offering, the subdivider’s promotional and marketing costs are generally greater than in other types of subdivisions. If you are contemplating the purchase of a parcel in this subdivision with the idea of reselling it with or without further development of the parcel, you should bear the following in mind:

- A. It is likely to be very difficult to resell the parcel at a profit without a well-financed promotional campaign or sales organization.
- B. In any effort to resell the parcel, you are likely to be in an unfavorable competitive position with the subdivider and other persons selling parcels in this subdivision and in other subdivisions in the vicinity.
- C. It will probably be difficult for you to reach an agreement with other owners of parcels with respect to further development of this subdivision for any purpose and financing of further development may be hard if not impossible to arrange.
- D. The prospect that a land developer will purchase your subdivision parcel along with others for the purpose of effecting improvements to the overall subdivision is remote.
- E. Any plans you as purchaser might have of developing this land should be thoroughly investigated by consulting with appropriate local government officials prior to your purchase of the property.

3. ❖ *Use the following when CC&Rs provide a “right of first refusal.”*

- ☐ The declaration of restrictions for the subdivision contains a provision commonly known as a “right of first refusal.”

In effect, it gives the _____ the option to buy your property on the same terms that you have been offered by a bona fide purchaser. Any such offer you receive from a third person must be taken subject to this provision and held in abeyance for _____ days until the _____ decides whether or not to buy your property. Purchasers should consider whether a buyer will be willing to hold his offer open during this _____ period or until the _____ exercises the option to purchase. The option given to the _____ to purchase your property may affect your ability to obtain FHA financing. The _____’s right to purchase will continue until the expiration of the declaration of restrictions even though the subdivision is sold out.

4. ❖ *Use the following when sales are by real property sales contracts or leases.*

- ☐ Transfer of the interest to the purchaser may be by a ☐ real property sales contract ☐ lease. Your rights and responsibilities are governed by the specific terms of the ☐ contract ☐ lease. You should read the entire ☐ contract ☐ lease. The ☐ contract ☐ lease includes the following provisions:

☐ You cannot assign or transfer the ☐ contract ☐ lease without the written consent of the ☐ seller ☐ your landlord. ☐ If you do not pay your installments on time, you may lose your property and all money you have paid in.

☐ The seller ☐ Your landlord may enter and inspect your property.

☐ Before signing, you should read and thoroughly understand all loan documents.

5. ❖ *Use the following note (modified as necessary for financing disclosure items per SPRAG) where the subdivider will offer financing from a source other than a state or federally regulated lender.*

- ☐ **Financing Note:** The subdivider advises that the subdivider will offer financing of ☐ lots ☐ units in accordance with the terms of a Promissory Note secured by a Deed of Trust that is on file for this subdivision.

Terms of the Promissory Note include among other things the following:

- ☐ _____ % / ☐ TBD interest rate.
- Loan term of _____ years.
- All sums (principal + interest) due at end of the _____ year loan term.
- All sums (principal + interest) due upon sale, or upon event of default.

Prepayment penalties are/are not required.

6. ❖ *Use the following when subdivider is offering short term financing at a reduced interest rate.*

- ☐ The marketing program for this subdivision includes provisions for short term financing at interest rates lower than those currently available from the usual sources of mortgage financing. These loans will be due and payable in full in _____ years. You should anticipate having to refinance the loan at that time. There can be no assurance

that the then-prevailing interest rates for mortgage financing will be lower than current rates or that money will be readily available for mortgage financing at that time. Before entering into this financing arrangement, you should give careful consideration to all factors which may affect your ability to refinance the balance of the interim loan when it comes due. If you are unable to pay off the interim loan, you could lose your property through foreclosure.

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7. ❖ *Use the following note where a creative financing program will be made available by the subdivider.*

☐ **Financing of Subdivision Purchases:** Purchasers may obtain a loan from the lending institution of their choice, or they may select from financing programs made available by the subdivider. One or more “creative financing” programs may be available to purchasers of lots or units in this subdivision. There is a fact sheet which describes each “creative financing” program. Prior to entering into a contract to purchase a lot or unit which involves one of these programs, the subdivider, or the subdivider’s representative must give you a copy of the fact sheet for that program

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8. ❖ *Use the following note for Affordable Housing.*

☐ **Inclusionary Housing Ordinance:** This subdivision is subject to the Affordable Housing Agreement between the ☐ County ☐ City of _____, CA and _____ recorded _____ as Instrument No. _____ of Official Records. Under this agreement the subdivider has agreed to designate _____ ☐ Units ☐ Lots as Below Market Rate ☐ Units ☐ Lots (as defined per the agreement). These ☐ units ☐ lots will be subject to income resale and rental restrictions per the terms of the agreement. [Use if covering CC 5605 as amended per AB 572] ☐ **Additionally, these Below Market Rate Units may qualify as deed restricted affordable housing units that will be subject to certain limits on future assessment increases as defined and set forth under Civil Code 5605(c).** For further information purchasers should contact the ☐ County ☐ City of _____, CA. (See also Sec. _____ of the recorded Restrictions.)

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9. ❖ *Use the following note when we are required to place special provisions in the CC&Rs to allow the subdivider to take advantage of such financing.*

☐ To secure financing for this subdivision acceptable for acquisition by ☐ (Federal National Mortgage Association) ☐ (Federal Home Loan Mortgage Corporation), it has been necessary for the subdivider to incorporate into the declaration of restrictions and other management instruments, provisions which give the mortgage lender a voice in the affairs of the homeowner’s association and in the management and operation of the subdivision which a lender does not ordinarily have.

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10. ❖ *Use the following when issuing all inclusive deed of trust (wrap around).*

☐ **All-inclusive (wrap around) Deed of Trust:** The subdivider intends to offer the use of all-inclusive second deeds of trust in financing sales of lots in this subdivision. You should determine if other financing plans are acceptable to the subdivider or if you are obligated to use the subdivider’s financing plan. If other plans are acceptable to the subdivider or if you are obligated to use the subdivider’s financing plan. If other plans are acceptable, you may be able to obtain your loan from the lending source of your choice.

If you accept the subdivider’s financing plan, the amount of the promissory note secured by the second deed of trust on the property that your purchase will include the unpaid balance of the promissory note secured by the first deed of trust. It will be the obligation of the subdivider as beneficiary under the all-inclusive deed of trust to make the payments due on the promissory note secured by the first deed of trust. Part of each of your regular payments

to the subdivider on the all-inclusive deed of trust is to be forwarded by the subdivider to the beneficiary under the first deed of trust.

The beneficiary is _____. If the subdivider fails to make a payment to the beneficiary of the first deed of trust, the beneficiary can foreclose on the property even though you have made all of the payments for which you are obligated. To preclude this possibility, provision has been made to furnish you with notice of any failure of the subdivider to make a payment due on the first deed of trust. Upon receipt of notice of a failure to the subdivider to make payments due under the first deed of trust, you may make your payments under the all-inclusive deed of trust directly to the beneficiary of the first deed of trust under the terms of the all-inclusive deed of trust. The all-inclusive deed of trust provides for a monetary penalty in the case of a late payment and the entire outstanding balance of the all-inclusive deed of trust may be due and payable in case of sale of the property by you.

Prior to entering into the financing plan of the subdivider, you should carefully study the terms of the all-inclusive deed of trust and the attendant instruments. If you are unable to understand your rights and your obligations under the financing plan, then it is recommended that you discuss the plan with your attorney or with a knowledgeable officer of a financial institutional with whom you are acquainted.

11. ♦ *Use the following Anti-Speculation Addendum to the purchase contract.*

- ☐ Anti-Speculation Addendum to Purchase Contract: There is an addendum to the contract to purchase to be executed by the buyer of a living unit in this subdivision under which the buyer warrants that he is buying the unit for occupancy as his principal residence. Under this addendum, buyer is also called upon to agree that seller shall have the right to repurchase the unit from buyer on terms which will give seller the benefit of any unrealized appreciation of the property if buyer breaches certain provisions of the addendum. In the event of a dispute on the question of buyer's breach, the matter shall be submitted to arbitration for a decision.

12. ♦ *Use the following when using all inclusive deed of trust for sale to cooperative.*

- ☐ The developer intends to use an all-inclusive deed of trust in financing the sale of this project to the cooperative corporation. The amount of the promissory note secured by the all-inclusive deed of trust on the project will include the unpaid balances of the promissory notes secured by underlying deeds of trust. It will be the obligation of the ☐ developer ☐ sponsor ☐ lender as beneficiary under the all-inclusive deed of trust to make the payments due on the promissory notes secured by the other underlying deeds of trust. Part of each of the regular payments made by the cooperative corporation to the ☐ developer ☐ sponsor ☐ lender on the all-inclusive deed of trust is to be forwarded by the ☐ developer ☐ sponsor ☐ lender to the beneficiaries of the other underlying deeds of trust.

The other beneficiaries are _____.

If the ☐ developer ☐ sponsor ☐ lender fails to make payments to the beneficiaries of these underlying deeds of trust, the beneficiaries can foreclose on the project even though you have made all of the payments for which you are obligated under your lease. To preclude this possibility, a provision has been made to furnish the cooperative corporation with notice of any failure of the ☐ developer ☐ sponsor ☐ lender to make payments due on these deeds of trust. Upon receipt of notice of a failure of the ☐ developer ☐ sponsor ☐ lender to make payments due under these deeds of trust, the cooperative corporation may make payments under the all-inclusive deed of trust directly to the beneficiaries of the other underlying deeds of trust under the terms of the all-inclusive deed of trust. ☐ The all-inclusive deed of trust provides for a monetary penalty in the case of a late payment and the entire outstanding balance of the all-inclusive deed of trust may be due and payable if _____

13. ❖ *Use the following when issuing a stock cooperative public report.*

- ☐ “Revenue and Taxation Code Section 2188.7, effective January 1, 1981, requires the County Assessor to separately assess the value of each member’s right of exclusive occupancy in a stock cooperative project upon receipt of a written request which has been submitted by or approved by the governing body of the cooperative corporation.

The conditions that must be satisfied before separate assessment of individual interest in the stock cooperative project are set forth in Section 2188.7. In order for there to be separate assessments in a tax year beginning on July 1, a request satisfying all of the statutory conditions must be received by the county assessor at least 60 days prior to the lien date (March 1) of that year. Having once been separately assessed, interests in a stock cooperative project continue to be separately assessed in subsequent tax years.

Until the assessor begins separate assessments of stock cooperative interests, the assessment against members by the stock cooperative corporation will include an amount for the payment of property taxes in accordance with the tax allocation schedule included in the governing instruments for the subdivision.”

14. ❖ *Use the following when issuing on a project consisting of both residential and commercial unit.*

- ☐ This ☐ condominium ☐ planned development project is a combination residential and commercial project. The non-residential portion of the project comprises 15 percent or more of the total square footage of all the units. Under Internal Revenue Regulation Section 1.5284(b), the homeowners’ association does not qualify as a tax-exempt organization, and the California Franchise Tax Board has taken the same position. Therefore, the taxable income of the association will be subject to federal income taxation and state bank and corporation tax.

Note: If the HOA is not a corporation, the last four words, “bank and corporation tax”, must be deleted and the words “income tax” used instead.

15. ❖ *Use the following in condominium projects filed under the provisions of §11108.5(a)(2)(D) B&P Code.*

- ☐ The subdivider of this project has not furnished any financial guarantees that any residential units other than those in ☐ this building (describe) _____ ☐ building number _____ will be completed.

If the subdivider does not complete the remaining residential units within the estimated completion schedules or the units are not completed in exact accordance with the recorded condominium plan, the interest you purchase in this project may not be qualified for refinancing which would make the unit you purchase unmarketable.

Prior to entering into this transaction, you should consult an attorney for advice.

16. ❖ *Use for Community Facilities Districts.*

- ☐ This subdivision lies within the Community Facilities District No. _____ ☐ and _____ and is subject to any taxes, assessments and obligations thereof. The Subdivider must provide purchasers with ☐ a disclosure ☐ disclosures entitled, “Notice of Special Tax, Community Facilities District No. _____ County of _____, California” ☐ and _____ prior to a purchaser entering into a contract to purchase. ☐ This Notice contains ☐ These Notices contain important information about district functions, purchaser’s obligations, right of the ☐ district, ☐ districts, and information on how to contact the ☐ district ☐ districts for additional materials. Purchasers should

thoroughly understand the information contained in the ☐ Notice ☐ Notices prior to entering into a contract to purchase. ☐ This special tax appears ☐ These special taxes appear on the yearly property tax bill, and ☐ is ☐ are in addition to the tax rate affecting the property described above in the section entitled "TAXES."

- ☐ The buyer has five days after delivery of ☐ this notice ☐ these notices by deposit in the mail, or three days after delivery of any notice in person, to terminate the sales agreement by giving written notice of that termination to the owner, subdivider, or agent selling the property.

17. ❖ *Use for age restricted projects*

- ☐ Age Restrictions: Under the Fair Housing Amendment Act of 1988, as amended by the Housing For Older Person Act of 1995, the validity of age restrictions in residential developments depends on whether the development qualifies as "housing for older persons." If the age restriction is set at 62, the housing will qualify if the housing is intended for, and solely occupied by, persons 62 years of age or older. If the age restriction is set at age 55, as is the case in this project, the following requirements must be satisfied:

1. The development must be intended and operated for occupancy by persons 55 years of age or older;
2. The development must have policies and procedures that demonstrate that the housing is intended to be occupied by at least one person who is 55 years of age or older;
3. Of the occupied units, 80 percent must be actually occupied by at least one person 55 years of age or older; and
4. The development must comply with HUD rules relating to the verification of occupancy and the development's policies and procedures.

Currently, there is no procedure in place for a pre-determination that a project, whether existing or proposed, qualifies as "housing for older persons" under the Federal requirements. If it is ultimately determined that the project does not qualify, the age restrictions would not be enforceable. The owners would have the option of either eliminating the age restrictions (in which case the development would be open to residents of all age levels), or taking whatever corrective measures may be necessary to meet the Federal requirements.

18. ❖ *Use for projects subject to recorded "notice of special restrictions" regarding residential use in the City of San Francisco. (Live/Work Projects)*

- ☐ THIS PROJECT IS SUBJECT TO A "NOTICE OF SPECIAL RESTRICTIONS" (NSR) UNDER SAN FRANCISCO'S CITY PLANNING CODE AS RECORDED ON _____, RECORDER'S SERIAL NUMBER _____. THE NSR RESTRICTS RESIDENTIAL USE OF THESE LIVE/WORK UNITS AND THERE MAY BE MONETARY PENALTIES FOR VIOLATION OF THE RESTRICTIONS. THE PROPERTY IS ZONED FOR COMMERCIAL AND/OR INDUSTRIAL USES WITH LIMITED RESIDENTIAL OCCUPANCY. PURCHASERS SHOULD BE AWARE THAT ACTIVITIES CONSIDERED DISRUPTIVE TO RESIDENTIAL USE OCCURS AS THE COURSE OF BUSINESS IN THIS AREA.

19. ❖ *Use for Intergenerational Housing Developments*

- ☐ Intergenerational Housing Development. This subdivision is being established as an Intergenerational Housing Development and shall meet the following requirements:

1. (A) At least 80 percent of the occupied dwelling units are occupied by at least one senior citizen. This requirement commences upon occupancy of 25 percent of the dwelling units by at least one senior citizen. A "senior citizen" or "resident" means a person 55 years of age or older.

(B) Up to 20 percent of the occupied dwelling units are occupied by at least one caregiver or transition age youth.

(1) Transition age youth shall mean a person who is 18 to 24 years of age, inclusive, and who is either of the following: (a) A current or former foster youth who has been adjudged a ward or dependent of the juvenile court; or, (b) A homeless youth or former homeless youth, who has met the McKinney-Vento Homeless Assistance Act of 1987 definition of “homeless children and youths,” as that term is defined in Section 11434(a) of Title 42 of the United States Code.

(2) Caregiver shall mean a person responsible for meeting the daily care needs of a senior citizen, or a person hired to provide live-in, long-term, or terminal health care to a qualifying resident, or a family member of the qualifying resident providing that care. (The care provided shall be substantial in nature and shall include either assistance with necessary daily activities or medical treatment, or both.)

2. The development shall be affordable to lower income households as defined in Section 50079.5 of the Health and Safety Code.

3. If a dwelling unit that is identified for occupancy by a caregiver or transition age youth, then ceases to house a caregiver or transition age youth, the owner, board of directors, or other governing body for the development may require, at their discretion, the household (i.e., the remaining occupants) in that dwelling unit to cease residing in the development upon receipt of a minimum of six months written notice. Termination of the tenancy would be allowed for the sole purpose of making the dwelling unit available for an eligible occupant.

4. An Intergenerational Housing Development shall comply with all applicable fair housing laws, including, but not limited to, the California Fair Employment and Housing Act (Part 2.8 (commencing with Section 12900) of Division 3 of Title 2 of the Government Code) and the Fair Housing Act (42 U.S.C. Sec. 3601).

5. Any occupied dwelling units within an Intergenerational Housing Development that are occupied by caregivers or transition age youth shall not count toward the housing type goal for seniors under the qualified allocation plan adopted by the California Tax Credit Allocation Committee in accordance with Section 50199.14 of the Health and Safety Code.

6. The covenants, conditions, and restrictions and other documents or written policy governing the Intergenerational Housing Development shall set forth the limitations on occupancy, residency, or use.