

REAL ESTATE TRANSFER
DISCLOSURE STATEMENT

THIS DISCLOSURE STATEMENT CONCERNS THE POTENTIAL EXTRACTION FROM AND/OR THE USE OF WATER ON THAT REAL PROPERTY SITUATED IN THE BORREGO SPRINGS GROUNDWATER SUBBASIN, DESIGNATED BY THE CALIFORNIA DEPARTMENT OF WATER RESOURCES AS SUBBASIN NUMBER 7-24.01 (“Basin”), IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, DESCRIBED AS

THIS STATEMENT CONSTITUTES A DISCLOSURE OF THE EXISTENCE OF A JUDGMENT THAT IS BINDING UPON THOSE PERSONS WHO OWN OR POSSESS THAT PROPERTY. SPECIFICALLY, NO WATER MAY BE EXTRACTED FROM OR BE PUT TO BENEFICIAL USE ON THE PROPERTY UNLESS THAT PRODUCTION AND USE IS IN COMPLIANCE WITH THE JUDGMENT ENTERED IN THE BORREGO VALLEY GROUNDWATER ADJUDICATION, *Borrego Water District v. All Persons Who Claim A Right To Extract Groundwater in the Borrego Valley Groundwater Subbasin No.7.024-01...*(Orange County Super Ct. Apr. 8, 2021).

THIS DISCLOSURE IS NOT A WARRANTY OF ANY KIND BY THE SELLER(S) OR ANY AGENT(S) REPRESENTING ANY PRINCIPAL(S) IN THIS TRANSACTION, AND IS NOT A SUBSTITUTE FOR ANY INSPECTIONS OR WARRANTIES THE PRINCIPAL(S) MAY WISH TO PROVIDE OR OBTAIN.

SELLER INFORMATION:

The Seller discloses the following information with the knowledge that even though this is not a warranty, Prospective Buyers may rely on this information in deciding whether and on what terms to purchase the subject property. Seller hereby authorizes any agent(s) representing any principal(s) in this transaction to provide a copy of this statement to any person or entity in connection with any actual or anticipated sale of the property.

THE FOLLOWING NOTIFICATIONS ARE MADE BY THE SELLER(S) AS REQUIRED BY SECTION IX OF THE JUDGMENT ENTERED IN THE BORREGO VALLEY GROUNDWATER ADJUDICATION NOTED ABOVE (“JUDGMENT”) AND ARE NOT THE REPRESENTATIONS OF THE AGENT(S), IF ANY. NOTICE HEREBY IS GIVEN THAT SECTION IX OF THE JUDGMENT PROVIDES AS FOLLOWS:

IX. BINDING EFFECT

The Judgment is binding on the Parties to the Comprehensive Adjudication and all their successors in interest, including, but not limited to, heirs, executors, administrators, assigns, lessees, licensees, the agents and employees of the Parties to the Comprehensive Adjudication and all their successors in interest, and all landowners or other persons claiming rights to Pump Groundwater from the Basin, consistent with Code of Civil Procedure section 851. The Judgment also is an in rem judgment binding on all property overlying the Basin. The

Watermaster may cause this Judgment to be recorded against any and all parcels overlying the Basin. The grantor of any real property subject to this Judgment shall notify the purchaser of the existence of the Judgment and its binding effect on the real property.

A copy of the entire Judgment may be downloaded from the website of the Borrego Springs Watermaster, available at <https://borregospringswatermaster.com/documents>.