

READ THIS PROPERTY REPORT BEFORE SIGNING ANYTHING

This Report is prepared and issued by the developer of this subdivision. It is not prepared or issued by the Federal Government.

Federal law requires that you receive this Report prior to your signing a contract or agreement to buy or lease a lot in this subdivision. However, NO FEDERAL AGENCY HAS JUDGED THE MERITS OR VALUE, IF ANY, OF THIS PROPERTY.

If you received this Report prior to signing a contract or agreement, you may cancel your contract or agreement by giving notice to the seller any time before midnight of the seventh day following the signing of the contract or agreement.

If you did not receive this Report before you signed a contract or agreement, you may cancel the contract or agreement any time within two years from the date of signing.

NAME OF SUBDIVISION CALDERA SPRINGS ANNEXATION

NAME OF DEVELOPER Caldera Springs Real Estate LLC

DATE OF THIS REPORT June 9, 2022

TABLE OF CONTENTS

<u>RISKS OF BUYING LAND</u>	1
<u>GENERAL INFORMATION</u>	2
<u>TITLE TO THE PROPERTY AND LAND USE</u>	3
METHOD OF SALE	3
ENCUMBRANCES, MORTGAGES AND LIENS	3
RECORDING THE CONTRACT AND DEED.....	3
PAYMENTS	4
RESTRICTIONS ON THE USE OF YOUR LOT	4
PLATS, ZONING, SURVEYING, PERMITS AND ENVIRONMENT.....	7
<u>ROADS</u>	9
ACCESS TO THE SUBDIVISION	9
ACCESS WITHIN THE SUBDIVISION	9
<u>UTILITIES</u>	11
WATER	11
SEWER.....	12
ELECTRICITY.....	13
TELEPHONE.....	13
FUEL OR OTHER ENERGY SOURCE.....	14
<u>FINANCIAL INFORMATION</u>	16
<u>LOCAL SERVICES</u>	17
FIRE PROTECTION	17
POLICE PROTECTION	17
SCHOOLS	17
HOSPITALS.....	17
PHYSICIANS AND DENTISTS	17
SHOPPING FACILITIES.....	18
MAIL SERVICE.....	18
PUBLIC TRANSPORTATION.....	18
<u>RECREATIONAL FACILITIES</u>	19
<u>SUBDIVISION CHARACTERISTICS AND CLIMATE</u>	22
GENERAL TOPOGRAPHY	22
WATER COVERAGE	22
DRAINAGE AND FILL.....	22
FLOOD PLAIN.....	22
FLOODING AND SOIL EROSION	22
NUISANCES	23

HAZARDS	23
CLIMATE	24
OCCUPANCY	24
<u>ADDITIONAL INFORMATION.....</u>	25
PROPERTY OWNER’S ASSOCIATION	25
TAXES	26
RESALE OR EXCHANGE PROGRAM	26
EQUAL OPPORTUNITY IN LOT SALES	26
LISTING OF LOTS.....	27
<u>COST SHEET, SIGNATURE OF SENIOR EXECUTIVE OFFICER COST SHEET.....</u>	28
<u>RECEIPT, AGENT CERTIFICATION AND CANCELLATION PAGE</u>	29
<u>RECEIPT, AGENT CERTIFICATION AND CANCELLATION PAGE</u>	30

NOTE: In this Property Report, the words “You” and “Your” refer to the buyer. The words “We”, “Us” and “Our” refer to the developer.

RISKS OF BUYING LAND

The future value of any land is uncertain and dependent upon many factors. DO NOT expect all land to increase in value.

Any value which your lot may have will be affected if the roads, utilities and all proposed improvements are not completed.

Resale of your lot may be difficult or impossible, since you may face the competition of our own sales program and local real estate brokers may not be interested in listing your lot.

Any subdivision will have an impact on the surrounding environment. Whether or not the impact is adverse and the degree of impact, will depend on the location, size, planning, and extent of development. Subdivisions which adversely affect the environment may cause governmental agencies to impose restrictions on the use of the land. Changes in plant and animal life, air and water quality and noise levels may affect your use and enjoyment of your lot and your ability to sell it.

In the purchase of real estate, many technical requirements must be met to assure that you receive proper title. Since this purchase involves a major expenditure of money, it is recommended that you seek professional advice before you obligate yourself.

WARNINGS

THROUGHOUT THIS PROPERTY REPORT THERE ARE SPECIFIC WARNINGS CONCERNING THE DEVELOPER, THE SUBDIVISION OR INDIVIDUAL LOTS. BE SURE TO READ ALL WARNINGS CAREFULLY BEFORE SIGNING ANY CONTRACT OR AGREEMENT

GENERAL INFORMATION

This report covers 100 single-family lots in Caldera Springs Annexation ("Subdivision") located in Deschutes County, Oregon. See page 27 for a listing of these lots. The Subdivision is an expansion of the Caldera Springs Destination Resort ("Resort"), which is located adjacent to the Subdivision. Under the original master plan for the Resort, the Resort contained 320 single-family residential lots, and 192 keys in 45 cabins available as overnight accommodations, for a total of 365 residential units. The Subdivision (sometimes referred to herein as "the Annexation Property" or "Caldera Springs Annexation") is planned to include a maximum of 340 single-family residences and a maximum of 150 additional overnight lodging units, as well as recreation facilities and additional resort core amenities.

The Developer of this Subdivision is:

Caldera Springs Real Estate LLC
17750 Caldera Springs Drive
Post Office Box 3609
Sunriver, Oregon 97707

Telephone number: (541) 593-3000

Answers to questions and information about this Subdivision may be obtained by telephoning the Developer at the number listed above.

TITLE TO THE PROPERTY AND LAND USE

A person with legal title to property generally has the right to own, use and enjoy the property. A contract to buy a lot may give you possession but doesn't give you legal title. You won't have legal title until you receive a valid deed. A restriction or an encumbrance on your lot, or on the Subdivision, could adversely affect your title.

Here we will discuss the sales contract you will sign and the deed you will receive. We will also provide you with information about any land use restrictions and encumbrances, mortgages, or liens affecting your lot and some important facts about payments, recording, and title insurance.

METHOD OF SALE

Sales Contract and Delivery of Deed

We intend to use only the cash method of selling. You will be required to execute a purchase agreement for the purchase of your lot and you will be required to pay an initial deposit either prior to, or at the time that you execute your purchase agreement. At the time of closing you will be required to pay the balance of the purchase price and the escrow agent will record the Statutory Warranty Deed. You will not have title to the lot until you receive a Statutory Warranty Deed, which will generally occur within 30 days of the purchaser's signing of the purchase agreement, but in no event later than 180 days of the purchaser's signing of the purchase agreement.

At closing, in addition to customary closing costs specified in the purchase agreement, you will be required to pay a working capital fee in an amount that is three times the then-current monthly assessment (including maintenance and reserves), currently \$915, but not less than \$700, per lot to Caldera Springs Owners' Association (the "Association").

Type of Deed

The transfer of legal title will be accomplished by delivery of a Statutory Warranty Deed which is free and clear of all monetary liens and encumbrances.

ENCUMBRANCES, MORTGAGES AND LIENS

The lots in this Subdivision are not subject to any blanket encumbrances, mortgages or liens.

RECORDING THE CONTRACT AND DEED

Method or Purpose of Recording

Under Oregon law, the recording of your purchase contract or deed prevents third parties or creditors other than governmental agencies from encumbering your lot or transferring an interest in your lot without your consent. As part of the closing, the escrow agent will record your deed

for you at our expense. Your purchase contract will not be recordable because it is not in recordable form, as we will not have the contract officially acknowledged.

UNLESS YOUR CONTRACT OR DEED IS RECORDED YOU MAY LOSE YOUR LOT THROUGH THE CLAIMS OF SUBSEQUENT PURCHASERS OR SUBSEQUENT CREDITORS OF ANYONE HAVING AN INTEREST IN THE LAND.

Title Insurance

We will provide you with a standard owners' policy of title insurance within 15 days of the transfer of your lot at our expense. The policy describes the rights of ownership which are being acquired in your lot. We recommend that you obtain from an appropriate professional an interpretation and explanation of the policy to your satisfaction.

PAYMENTS

Escrow

Your earnest money deposit will be held in a third-party controlled escrow by First American Title Insurance Company, which has offices at 57100 Beaver Drive, Building 6, Sunriver, Oregon 97707. You will be entitled to a full refund of your earnest money deposit in the event we fail to convey title to your lot or if we otherwise default under the purchase contract. We do not have any financial interest in and to or any type of controlling interest over or with the escrow agent, First American Title Insurance Company.

Prepayments

All sales will be for cash, which means that you will make full payment of the balance of the purchase price of your lot at closing. Accordingly, there are no prepayment penalties or privileges.

Default

If you default under the contract you sign (by failing to close or otherwise) your earnest money will be released to us as liquidated damages.

RESTRICTIONS ON THE USE OF YOUR LOT

Restrictive Covenants

Restrictive covenants for this development are contained in the Declaration of Protective Covenants, Conditions and Restrictions for Caldera Springs (the "Declaration"), as amended, and the Declaration of Annexation of Real Property to Declaration of Protective Covenants, Conditions and Restrictions for Caldera Springs, and supplement thereto, which have been recorded in the

Official Records of Deschutes County, Oregon. Pursuant to a Supplemental Declaration of Protective Covenants, Conditions and Restrictions for Caldera Springs (Caldera Springs Annexation Phase A) ("Supplemental Declaration") that has been recorded, Phase A has been annexed to the real property that is subject to the Declaration and lots in Phase A of the Subdivision are subject to the provisions of the Declaration. Pursuant to a Supplemental Declaration of Protective Covenants, Conditions and Restrictions for Caldera Springs (Caldera Springs Annexation Phase B) ("Phase B Supplemental Declaration") that will be recorded, Phase B will be annexed to the real property that is subject to the Declaration and lots in Phase B will be subject to the provisions of the Declaration.

The Declaration contains provisions which require you to secure permissions, approvals and take other action prior to using or disposing of your lot. The major provisions of these restrictions will be discussed in the paragraphs below. However, this discussion will only highlight certain areas of the covenants and should not be a substitute for a careful study of these restrictions by you.

Unless otherwise indicated, capitalized terms are as defined in the Declaration.

Article V of the Declaration provides that no building, wall, patio, deck, outbuilding, landscaping, pool, spa, athletic facility or other structure or Improvement shall be erected, altered or added onto or repaired upon any portion of the Property without the prior written consent of the Design Review Committee ("DRC"). Once construction has commenced each Owner shall substantially complete construction, including all cleanup, of the initial Residence and the installation of landscaping on the Lot within the schedule set by the DRC. If there is a material deviation from the approved plans in the completed Improvements, the DRC, the Association or any Owner may maintain an action at law or in equity for the removal or correction of the non-conforming structure and, if successful, shall recover from the Owner in violation all costs, expenses and fees incurred as a result of the action.

Section 7.3 provides that no commercial, institutional, or other non-residential use (including residential day care facilities) shall be conducted on any Lot without the written approval of the Board; provided, however, home offices shall be permitted so long as the same does not constitute a nuisance.

Section 9.1 of the Declaration provides that all exterior lighting and noise-making devices, including without limitation, alarms, bull horns, and audio speakers, are subject to the Design Guidelines and must be reviewed and approved by the DRC.

Section 9.5 provides that no sign or emblem of any kind may be kept or placed on any Lot or mounted, painted or attached to any Residence or other improvement on a Lot, or carried or displayed within the Property except with the written approval of the DRC. This section shall not be construed to prohibit flags; flags shall be subject to such restrictions and/or prohibitions as may be contained in the Design Guidelines and/or the rules and regulations.

Section 9.7 requires that enclosures for household pets be constructed in accordance with plans that have been approved by the DRC.

Section 9.12 provides that initial landscaping, and all subsequent material changes to landscaping, must be approved by the DRC. All landscaping shall remain fully irrigated unless otherwise approved by the DRC. In addition, except in the case of imminent threat of harm to persons or Improvements or as may be deemed advisable by the Association, the removal of trees greater than 4 inches shall require the prior written approval of the DRC.

A complete copy of these restrictions is available upon request.

Easements

Certain lots in the Subdivision are subject to easements as noted below:

AFFECTED LOTS	TYPE OF EASEMENT	WIDTH OF EASEMENT
<u>Phase A</u>		
Lots 321-390	Public Utility Easement (at the front of each lot)	10 feet
Lots 380, 381	Public Utility Easement (stormwater/sanitary sewer along common side lot line)	10 feet
<u>Phase B</u>		
Lots 391 - 420	Public Utility Easement (at the road frontage of each lot)	10 feet

You will not be allowed to construct a home or other permanent structure on the areas of your lot affected by the easements or setback lines, but there are adequate building sites on each lot exclusive of the affected areas.

The Golf Amenity Owner and its authorized agents and representatives have been granted easements necessary or appropriate to exercise any of the rights granted to the Golf Property or the Golf Amenity Owner by the Declaration. This includes the right to enter upon Lots and Common Areas, subject to limitations contained in the Declaration.

The Declarant and the Golf Amenity Owner have been granted an easement and right in gross to display, use and distribute photographs, video recording and similar reproductions of the exterior of all Residences and Improvements constructed anywhere in the Subdivision.

Declarant reserves the right for the Golf Amenity Owner to draw water from the lakes that are part of the Common Area for purposes of irrigating the Golf Property. The Golf Amenity

Owner is granted an easement to access the lakes as needed and to install pipes and other equipment on the Common Area for purposes of withdrawing water.

Declarant has granted a perpetual easement to the Bend-LaPine School District, its successors and assigns, for access over all private roads within the Subdivision.

Declarant reserves a perpetual nonexclusive easement of access across the Property to and from property adjacent to and through the northern boundary of the Development Property. In the event that Declarant or its successors, assigns or designees construct a road or roads within this easement, the Association shall maintain, repair and replace such roads and enter into a cost sharing agreement which shall proportionally allocate the costs of maintenance of such roads among users of such roads.

Declarant reserves for itself and its successors and assigns, the Golf Amenity Owner, golfers utilizing the Golf Property, guests and users of the Visitor-Oriented Accommodations and invitees of the Golf Amenity Owner a perpetual nonexclusive easement to park operational motor vehicles in all parking lots owned by the Association.

We recommend that you review the plat for the exact locations and widths of the easements and building setback lines described above. We also recommend that you review Section 6.9 of the Declaration for further details regarding easements reserved for our benefit and for the benefit of the Golf Club Property, the Golf Amenity Owner, invitees of the Golf Amenity Owner, the Association and governmental agencies and utilities.

The lots in the Subdivision are not subject to any flood control easements; however, Lots 380 and 381 will have a 10-foot easement along the common property line for stormwater and sanitary sewer.

PLATS, ZONING, SURVEYING, PERMITS AND ENVIRONMENT

Plats

The final plat of Phase A of the Subdivision has been approved by Deschutes County, Oregon and has been recorded in the Official Records of Deschutes County.

The tentative plat of Phase B of the Subdivision is under review by Deschutes County, Oregon but has not yet been approved or recorded. Until the plat of Phase B is recorded, the description of the lots in this report is not legally adequate for the conveyance of land in Deschutes County, Oregon.

Zoning

Pursuant to the zoning applicable to the Subdivision, the lots in this offering may be used for single family residential use. The intended use of these lots conforms to the zoning requirements of Deschutes County applicable to the Subdivision.

Surveying

All of the lots in Phase A and Phase B will be surveyed and lot corners staked for approximate location. We will complete permanent corner monumentation after completion of construction of infrastructure. You will not be required to pay any of the cost associated with surveying and identifying the lots in Phase A or Phase B.

Permits

You must obtain a building permit prior to the construction of your home from:

Deschutes County Building Department
117 N.W. Lafayette
Bend, Oregon 97701

The cost of this permit is based on the value and number of square feet of the structure you build. The cost of the building permit is determined only after your building plans have been completely reviewed. You should contact the Building Department for information on the cost of the permit for the home you intend to build on your lot.

You must also submit your design and construction plans to the Design Review Committee, 17730 Caldera Springs Drive, PO Box 4055, for approval prior to construction of your residence or any improvements on your lot, and you must pay to the DRC a fee in the amount of \$10,500 of which \$5,500 is a nonrefundable design review fee to cover the cost of processing the application and \$5,000 is a refundable construction deposit.

No other permits are needed to use the lots for the purpose for which they are being sold.

Environment

We are not aware of any governmental environmental impact study that considered the impact of the Subdivision on the environment. No determination has been made as to the possible adverse effects the Subdivision may have upon the environment and surrounding area.

The site has been evaluated to determine the existence of historically significant cultural materials. The Oregon State Historic Preservation Office (“SHPO”) has determined that we have completed our exploration of the identified archeological sites to their satisfaction and that they will not impose restrictions on development within the Subdivision.

ROADS

Here we discuss the roads that lead to the Subdivision, those within the Subdivision and the location of nearby communities.

ACCESS TO THE SUBDIVISION

Access to the Subdivision will be provided through existing private roads located in Caldera Springs. Such roads are 18 to 20-foot wide, two-lane private roads dedicated to the use of lot owners. The private roads are owned and maintained by the Association.

Access to the Subdivision will also be provided from Vandever Road, a County public road, pursuant to a new road connection with an intersection/entrance to the Subdivision at Vandever Road. Vandever Road is a 2 lane asphaltic concrete road, with a wearing surface of 32 feet. The present surface of the new road connection is dirt/vegetation and the final surface will be asphalt concrete, with a paved width of 18 feet and 2-foot shoulders. Construction of the new road connection has commenced, is currently 40% complete, and is estimated to be completed in July 2022. We are responsible for construction of the road, at our expense. The new road connection to Vandever Road will be maintained by the Association.

ACCESS WITHIN THE SUBDIVISION

Access from the Subdivision entrance to the lots in the Subdivision will be provided by 20-foot wide, two-lane private roads with 2-foot shoulders, dedicated to the use of lot owners. The private roads will be owned by the Association.

We are responsible for constructing all interior roads at our expense. You will not be responsible for the construction cost of the roads. The status of the construction of the roads in the Subdivision is indicated in the following chart:

PHASE	ESTIMATED STARTING DATE (month/year)	PERCENTAGE OF CONSTRUCTION NOW COMPLETE	ESTIMATED COMPLETION DATE (month/year)	PRESENT SURFACE	FINAL SURFACE
Phase A	10/21	40%	7/22	Subgrade	Asphaltic Concrete
Phase B	11/21	40%	7/22	Subgrade	Asphaltic Concrete

We have posted a bond in favor of Deschutes County to assure completion of the roads in Phase A and the new road connection to Vandever Road. The bond posted to assure completion of the roads in Phase A also assures completion of the roads that will provide access to the lots in Phase B.

Upon completion of the roads, maintenance of the roads will be the responsibility of the Association. The cost to you for maintenance will be included in the assessments you pay to the Association. The amount of the assessment is currently estimated to be \$3,660 per lot per year for lots in this offering. Upon completion, the roads will be maintained by the Association so as to provide access to the lots in the Subdivision on a year-round basis. Although it is anticipated that no maintenance of the roads will be necessary prior to their completion, in the event maintenance is necessary, we will provide such maintenance at no cost to you.

The table below identifies the distance from the center of the Subdivision to nearby communities:

NEARBY COMMUNITIES	POPULATION ESTIMATE	DISTANCE OVER PAVED ROADS	DISTANCE OVER UNPAVED ROADS	TOTAL
Sunriver	1,500	1 mi.	0 mi.	1 mi.
LaPine	2,000	14 mi.	0 mi.	14 mi.
Bend* (city limits)	106,000	18 mi.	0 mi.	18 mi.
Redmond (city limits)	35,000	35 mi.	0 mi.	35 mi.

*County Seat

UTILITIES

Here we will discuss the availability and cost of basic utilities. The areas covered will be water, sewage disposal, electricity, telephone, and fuel or other energy sources.

WATER

The Subdivision will be served by a central water system supplying potable water.

Central System

Water will be supplied to the lots in the Subdivision by Sunriver Water LLC, an Oregon limited liability company, P.O. Box 3589, Sunriver, Oregon 97707, which is a private utility company not affiliated with us that is regulated by the Oregon Public Utility Commission, the Oregon Health Division and the Oregon Water Resources Department.

Water will be supplied to the lots in the Subdivision by a water transmission pipeline from Sunriver Water LLC's water system to the Subdivision and water distribution lines to the lots within the Subdivision. The water transmission pipeline has been completed and is owned by Sunriver Water LLC.

We are responsible for constructing the water distribution lines to the front of or adjacent to the lots and will pay the cost of such construction and extension. The status of the construction of the water distribution lines is indicated in the following chart:

PHASE	ESTIMATED STARTING DATE (month/year)	PERCENTAGE OF CONSTRUCTION NOW COMPLETE	ESTIMATED SERVICE AVAILABILITY (month/year)
Phase A	N/A	100%	Available
Phase B	N/A	100%	Available

An engineer's report has confirmed that Sunriver Water LLC's existing water supply system has capacity to serve the buildout demands of Sunriver Community, including the Caldera Springs Annexation, of 6319 EDU, including 415 EDU for Caldera Springs Annexation. Water from Sunriver Water LLC's wells are tested for purity and chemical content on a regular basis and meets all applicable standards for drinking water established by federal, state and local governmental authorities.

The required approvals for construction of the water distribution lines to the lots in Phase A and Phase B have been obtained.

In addition to user fees, you will be responsible for paying a one-time water connection fee, which is currently \$50.00. This one-time connection fee is the charge for connecting your lot to the water system that provides this service and is payable to Sunriver Water LLC.

You will be required to connect to the central water system. You will not be permitted to use individual water systems and water will not be available to residential lots until after the central water system has been extended to your lot. Water lines have been extended to all lots in Phase A and Phase B and water is available to all lots in Phase A and Phase B.

SEWER

The method of sewage disposal to be used for the lots in this Subdivision is a central sewage collection system.

Central System

Sewage disposal service in the Subdivision will be provided by a connection of the sewage collection lines within the Subdivision to the existing sewer treatment facility owned and operated by Sunriver Environmental LLC, an entity not affiliated with us, that is regulated by the Oregon Department of Environmental Quality. The connection line to the existing treatment facility and lift stations required to serve the Subdivision have been constructed. We are responsible for construction of the sewage collection lines to the front of or adjacent to your lot. The status of the construction of the sewage collector lines to the lots in this offering is indicated in the following chart:

PHASE	ESTIMATED STARTING DATE (month/year)	PERCENTAGE OF CONSTRUCTION NOW COMPLETE	ESTIMATED SERVICE AVAILABILITY (month/year)
Phase A	N/A	100%	Available
Phase B	N/A	100%	Available

The required approvals for construction of the sewage collector lines to the lots in Phase A and Phase B have been obtained.

Sunriver Environmental LLC has confirmed that its sewage treatment facility has sufficient capacity to serve all lots proposed for the Caldera Springs Annexation.

You will be charged a sewer connection fee, currently \$13,375, payable to Sunriver Environmental LLC.

You will be required to connect to the central sewage system. You will not be permitted to use individual on-site sewage disposal systems and sewer service will not be available to residential lots until after the central sewer system has been extended to your lot. Sewage collector lines have been extended to all lots in Phase A and Phase B and sewer service is available to all lots in Phase A and Phase B.

ELECTRICITY

Electricity will be provided to lots in the Subdivision by Midstates Electric Cooperative Inc., 51340 Highway 97, La Pine, Oregon, 97739, a corporation organized and operated in accordance with the rules and regulations of the Rural Utilities Service that has been franchised by the Oregon Public Utility Commissioner.

We will be responsible for underground trenching, conduit and vault installation, and construction of electrical distribution lines to the front of or adjacent to, each lot in the Subdivision and Midstates Electric will be responsible for installation of electrical conductors and equipment for service. The status of construction of the trenching, conduit and vault installation and electrical distribution lines to lots in this offering is indicated in the chart below:

PHASE	ESTIMATED STARTING DATE (month/year)	PERCENTAGE OF CONSTRUCTION NOW COMPLETE	ESTIMATED SERVICE AVAILABILITY (month/year)
Phase A	10/21	50%	9/22
Phase B	Underway	50%	9/22

We have posted a bond in favor of Deschutes County to assure completion of underground trenching, conduit and vault installation, and electrical distribution lines to the lots in Phase A. The bond posted to assure completion of underground trenching, conduit and vault installation, and electrical distribution lines to the lots in Phase A also assures completion of such facilities to the lots in Phase B.

You will not be required to pay any construction costs of extending electrical facilities to locations in front of or adjacent to your lot. You will be required, however, to pay to Midstates Electric the usual, regulated connection fees to obtain service as well as user fees.

TELEPHONE

Telephone service will be available to the Subdivision and will be supplied by TDS Broadband Service LLC dba BendBroadband, 63090 Sherman Rd., Bend OR 97701, a telecommunications company which is regulated by the Oregon Public Utilities Commission.

We will be responsible for underground trenching and conduit installation in front of or adjacent to each lot in the Subdivision and BendBroadband will be responsible for installation of telecommunications conductors and equipment for service. The status of construction of the telephone conduit to lots in the Subdivision is indicated in the chart below:

PHASE	ESTIMATED STARTING DATE (month/year)	PERCENTAGE OF CONSTRUCTION NOW COMPLETE	ESTIMATED SERVICE AVAILABILITY (month/year)
Phase A	10/21	80%	7/22
Phase B	Underway	80%	7/22

NO FUNDS HAVE BEEN SET ASIDE IN AN ESCROW OR TRUST ACCOUNT NOR HAVE ANY OTHER FINANCIAL ARRANGEMENTS BEEN MADE TO ASSURE COMPLETION OF THE TRENCHING AND CONDUIT INSTALLATION FOR TELEPHONE LINES TO THE LOTS.

You will not be required to pay any construction costs of extending telephone service lines to locations in front of or adjacent to your lot. You will be required to pay to BendBroadband the usual, regulated connection fees to obtain service, as well as user fees.

FUEL OR OTHER ENERGY SOURCE

Natural gas service will be provided by Cascade Natural Gas, 334 NE Hawthorne Avenue, Bend, Oregon 97708, a utility provider regulated by the Oregon Public Utilities Commission.

Cascade Natural Gas will be responsible for extension of natural gas lines to locations in front of or adjacent to the lots within the Subdivision. Although the cost of construction will be borne primarily by Cascade Natural Gas, we will pay a proportionate share of the construction cost. The status of construction of the natural gas lines to lots in the Subdivision is indicated in the chart below:

PHASE	ESTIMATED STARTING DATE (month/year)	PERCENTAGE OF CONSTRUCTION NOW COMPLETE	ESTIMATED SERVICE AVAILABILITY (month/year)
Phase A	N/A	100%	7/22
Phase B	N/A	100%	7/22

You will not be responsible for the costs associated with extending natural gas lines in front of or adjacent to your lot. You will be required to pay to Cascade Natural Gas the usual, regulated connection fees to obtain service.

FINANCIAL INFORMATION

The discussion in this section will focus on our financial position.

Copies of the audited financial statements of our parent organization for the fiscal year ended December 31, 2021 are available from us upon request. Our parent organization has entered into an unconditional guaranty to perform and fulfill our obligations to construct the improvements referenced in this Property Report.

LOCAL SERVICES

In this section we will identify the availability of fire and police protection and the location of schools, medical facilities, shopping facilities, mail service, and public transportation.

FIRE PROTECTION

Fire protection is available year-round to the Subdivision from the La Pine Rural Fire Protection District, 51550 Huntington Road, La Pine, Oregon 97739. The service is provided by a municipality. The cost of fire protection service is included in your real property taxes.

POLICE PROTECTION

Police protection is available to the Subdivision from the Deschutes County Sheriff's Office, 63333 Highway 20 West, Bend, Oregon 97701. The cost of police protection service is included in your real property taxes.

SCHOOLS

The nearest elementary school available to residents of the Subdivision is Three Rivers School, 56900 Enterprise Drive, Sunriver, OR 97707. This school provides educational services for students in kindergarten through eighth grade. High school students may choose to attend La Pine High School, 51633 Coach Road, La Pine, Oregon 97739 or Caldera High School, 60925 SE 15th Street, Bend, Oregon 97702. In addition, several private schools are available in Bend.

The Bend-La Pine School District operates transportation services for elementary students who live over one mile away from their school and for secondary students who live over one and one-half miles away from their school, in accordance with state mandate. Due to the large enrollment in some schools, additional shuttle service is provided for those students who must attend a school other than their neighborhood school. Most disabled students ride the regular transportation system and are subject to the home-to-school distances mentioned above.

HOSPITALS

The nearest hospital available to residents of the Subdivision is St. Charles Medical Center, 2500 NE Neff, Bend, Oregon 97701. Ground ambulance service is available from La Pine Rural Fire Protection District, 51550 Huntington Road, La Pine, Oregon 97739, and air ambulance service is available from Air Life of Oregon, 2500 NE Neff, Bend, Oregon 97701.

PHYSICIANS AND DENTISTS

The nearest physician's office to the Subdivision is:

High Desert Family Medical
57067 Beaver Drive
Sunriver, Oregon (1.4 miles from the Subdivision)

The nearest dentist's office to the Subdivision is:

Biosmile, Inc.
James A. Klusmier, DDS
56870 Venture Lane
#213S
Sunriver, Oregon 97707 (approximately .9 miles from the Subdivision)

SHOPPING FACILITIES

The nearest shopping facility to the Subdivision is located in the Sunriver Village Mall, 57100 Beaver Drive, Sunriver, Oregon 97707, which is approximately 1 mile from the Subdivision. The mall offers all typical shopping facilities, including a grocery store. Additional shopping is available in Bend, approximately 15 miles from the Subdivision.

MAIL SERVICE

Mail will be delivered to the Sunriver Post Office located approximately one mile from the Subdivision.

PUBLIC TRANSPORTATION

The closest available public transportation is in Bend, approximately 15 miles from the Subdivision. The Redmond Airport, where commercial airlines are available, is located approximately 30 miles from the Subdivision.

RECREATIONAL FACILITIES

FACILITY	PERCENTAGE OF CONSTRUCTION NOW COMPLETE	ESTIMATED DATE OF START OF CONSTRUCTION (month/year)	ESTIMATED DATE AVAILABLE FOR USE (month/year)	FINANCIAL ASSURANCE OF COMPLETION	BUYER'S ANNUAL COST OR ASSESSMENT
Short Course	100%	N/A	Available	N/A	HOA fees
Golf Practice Holes	100%	N/A	Available	N/A	HOA fees
Putting Green	100%	N/A	Available	N/A	HOA fees
Lakes/ Streams	100%	N/A	Available	N/A	HOA Fees
Grass Playfield	100%	N/A	Available	N/A	HOA Fees
Bike Paths	100%	N/A	Available	N/A	HOA Fees
Walking Trails in Phases 1 & 2	100%	N/A	Available	N/A	HOA Fees
Walking Trails in Phase A	0%	7/22	9/22	None	HOA Fees
The Quarry Pool	100%	N/A	Available	N/A	HOA Fees
Sport Court	100%	N/A	Available	N/A	HOA Fees
Core Playground	100%	N/A	Available	N/A	HOA Fees
Caldera Springs LakeHouse	100%	N/A	Available	N/A	User fees

Lakes and Streams in Phase A	25%	4/22	10/22	None	HOA Fees
Bike Paths in Phase A	10%	10/21	9/22	None	HOA Fees
Bike Paths in Phase B	0%	7/22	9/22	None	HOA Fees

Constructing the Facilities

We have completed construction of the recreational facilities identified above, except for the Walking Trails, Bike Paths and Lakes and Streams in Phase A and Bike Paths in Phase B, at our expense. The completed facilities are located within the Resort. We are responsible for constructing the Walking Trails, Bike Paths and Lakes and Streams in Phase A and Bike Paths in Phase B. All costs incurred in such construction are to be paid by us. You will not bear any of the cost of construction of the Walking Trails, Bike Paths, or Lakes and Streams in Phase A or Bike Paths in Phase B.

We may, but are not obligated to, construct a pool and fitness facility in a future phase of the Subdivision. Although we propose to complete the pool and fitness facility, because our plans are still tentative, we are not contractually obligated to you to do so. There is no assurance that additional amenities, other than those listed in the chart above, will be completed and be available for your use.

Maintaining the Facilities

The Association will own and be responsible for maintaining the Lakes and Streams, the Grass Playfield, the Bike Paths and Walking Trails, the Quarry Pool, the Sport Court and the Core Playground. The maintenance costs for these facilities will be paid using assessments paid to the Association.

We will own and be responsible for maintaining the Short Course, the Golf Practice Holes, the Putting Green and the Caldera Springs LakeHouse. The maintenance costs for these facilities will be paid using user fees and assessments paid to the Association. We may contract with a third party for the operation and maintenance of these facilities.

Transfer Of The Facilities

The Lakes and Streams, the Grass Playfield, the Bike Paths and Walking Trails (except the Walking Trails, Bike Paths and Lakes and Streams in Phase A and Bike Paths in Phase B), the Quarry Pool, the Sport Court and Core Playground have been conveyed to the Association free and clear of any monetary liens and encumbrances. Upon completion, we will convey the Walking Trails, Bike Paths and Lakes and Streams in Phase A and Bike Paths in Phase B to the Association,

free and clear of any monetary liens and encumbrances. We have no present plans to transfer the Short Course, the Golf Practice Holes, the Putting Green and/or the Caldera Springs LakeHouse to another entity; however, we have the right, in our sole discretion, to transfer the facilities that we own to another entity, or to make other changes that may affect the availability of the use of these facilities.

Permits

All necessary approvals for construction of the recreational facilities were obtained and all facilities, except the Walking Trails, Bike Paths and Lakes and Streams in Phase A and Bike Paths in Phase B, have been constructed. Site plan approval for the Walking Trails, Bike Paths and Lakes and Streams in Phase A and Bike Paths in Phase B have been obtained.

Who May Use The Facilities

The Lakes and Streams, the Grass Playfield, the Bike Paths and Walking Trails, the Quarry Pool, the Sport Court and Core Playground may be used by lot owners, immediate family members of lot owners, and guests of lot owners.

The Short Course, the Golf Practice Holes, and the Putting Green may be used by lot owners and their immediate family members, Resident, Golf, Corporate and Special members of Crosswater Club (a club located adjacent to the Subdivision that is owned and operated by an affiliate of the developer), guests who are staying in accommodations that are owned or managed by Sunriver Resort Limited Partnership, and other guests invited by Sunriver Resort Limited Partnership or its affiliates.

The Caldera Springs LakeHouse is open to the general public and their use of this facility may limit use by property owners.

SUBDIVISION CHARACTERISTICS AND CLIMATE

In this section we will discuss the basic terrain of the Subdivision, its climate, and any nuisances or hazards in the area.

GENERAL TOPOGRAPHY

The land in the Subdivision is relatively flat in the northern section, rising slightly to the southeast from an elevation of 4,160 feet to an elevation of 4,210 feet. Soils are mostly loose sands and silt at the surface and highly compressible diatomaceous silt at depth.

Approximately 50% of the area within the Resort, including the Subdivision, will remain as natural open space and 12% of the lands in the Resort, including the Subdivision, will remain as developed parkland. The master plan approvals for the Caldera Springs Destination Resort require that 50% of the total resort property be committed to natural open space, parks and golf courses.

We are not aware of any steep slopes or unstable or expansive conditions which would necessitate the use of special construction techniques to build on or use any lot in the Subdivision. Some lots in Phase A show rock outcroppings on the surface. We anticipate that, generally, lot owners will retain rock outcroppings as part of the lot landscaping; however, the existence of rock may require rock removal during construction. No lots in the Subdivision have a slope of 20% or more.

WATER COVERAGE

Due to the nature of the property, soils, and the fact that the topography is in a natural state and ungraded, certain lots within the Resort periodically experience standing water as a result of local precipitation and snow melt which is temporarily “perched” in surface depressions. While heavy accumulations are unlikely to occur every year, it should not be considered unusual. This condition will not affect the use of the lots, as it is a temporary condition. This temporary water coverage condition cannot be corrected.

DRAINAGE AND FILL

No lots within the Subdivision will require draining or fill prior to construction of a residence thereon.

FLOOD PLAIN

The Subdivision is not located in a flood plain. The area of the Subdivision has not been formally identified by any Federal, State, or local agency as being in an area which is flood prone or in a flood plain.

FLOODING AND SOIL EROSION

We are obligated to comply with the Stormwater Disposal and Erosion Control Master Plan that has been reviewed and approved as part of the Conceptual Master Plan approval by Deschutes

County. The plan relies on surface retention and infiltration for disposal of stormwater and erosion control in single-family homesite development areas. In higher density areas, stormwater may be directed to over the surface or through swales to lakes, swales or turf areas. The plan will be implemented as construction proceeds within the Subdivision. Conditions of approval require ongoing compliance with the approved Master Plan. There is no financial assurance of completion of the stormwater disposal and erosion control facilities.

NUISANCES

The land in the Subdivision is not subject to any onsite or offsite unpleasant odors, noises, pollutants, or other nuisances except as noted below:

The Sunriver Airport is a private airport located approximately one mile north of the Subdivision. Noise from the airport may be considered a nuisance from time to time.

The Burlington Northern Santa Fe main line, a single track, constitutes the eastern property line of Caldera Springs Annexation. Train noise typical of a freight lines, including train whistles and/or horns, may be heard within the Resort and may be considered a nuisance from time to time. Distant road noise from U. S. Highway 97 can be heard within the Subdivision, largely depending on the wind direction and time of day.

Phased construction within the development will be ongoing for several years which may be considered a nuisance from time to time.

We have agreed that if Deschutes County determines there is a need to extend Spring River Road eastward from the Century Drive intersection at some point in the future, a strip of land at the northern edge of the Resort, varying in width from 30 feet to 60 feet, will be dedicated for use as a public roadway. Noise from the roadway may be considered a nuisance from time to time.

We are unaware of any other proposed or existing land use which may adversely affect your lot.

HAZARDS

Except as noted below, we are not aware of any unusual safety factors or any proposed plans, private or governmental, for the construction of any facility which may create a nuisance or safety hazard or adversely affect the use of the land.

During periodic construction within the Subdivision, noise, dust, congestion and use of explosives may be present.

The Subdivision is located in an area where wildlife may be present and there is potential for damage from wildlife on lots within the Subdivision. We have no record of earthquakes, major fires, or flash flooding in the area of the Subdivision, but these natural hazards could occur.

Federal, State and/or local agencies have identified the general region in which the Subdivision is located as being subject to the occurrence of the following natural hazards, as indicated below:

Deschutes County developed the 2015 Multi-Jurisdictional Natural Hazards Mitigation Plan ("Mitigation Plan") in an effort to prepare for the long-term effects resulting from natural hazards. The Mitigation Plan was adopted by Deschutes County and other participating jurisdictions and approved by FEMA Region X. The Mitigation Plan identified the following major natural hazards that affect or could affect Deschutes County and participating jurisdictions and rated their probability of occurrence on a scale of low, moderate and high for each identified hazard: drought, earthquake (Cascadia), earthquake (Crustal), flood, landslide, volcano, wildfire, windstorm and winter storm. The probability of drought, flood, wildfire, windstorm and winter storm was rated as high, the probability of earthquake (Cascadia) was rated as moderate, and the probability of earthquake (Crustal), landslide and volcano was rated as low.

Information regarding the Mitigation Plan is available from the Deschutes County Sheriff's Office.

According to the La Pine Rural Fire Protection District, the Subdivision has a fire hazard rating of 6. The rating system ranges from 1 to 10, with 10 being the greatest hazard and is based on the availability of water and the distance to the nearest fire station.

CLIMATE

The average temperatures for summer and winter are contained in the table below.

	<u>HIGH</u>	<u>LOW</u>	<u>AVERAGE</u>
Summer	83 degrees	41 degrees	62 degrees
Winter	42 degrees	22 degrees	32 degrees

The average annual precipitation is 20 to 22 inches and the average annual snowfall is 64 inches. This information has been obtained from the Sunriver Chamber of Commerce.

OCCUPANCY

As of May 1, 2022, no homes in Caldera Springs Annexation are occupied on a full-time or part-time basis. Approximately 240 homes in Caldera Springs Phases 1 and 2 of the Resort are currently occupied on a full-time or part-time basis.

ADDITIONAL INFORMATION

In this section we will discuss the following areas:

- The Property Owners' Association
- The Annual Real Estate Taxes
- Resale or Exchange Program
- Equal Opportunity in Lot Sales
- Listing of Lots

PROPERTY OWNER'S ASSOCIATION

We have incorporated Caldera Springs Owners' Association ("Association") as a non-profit mutual benefit corporation under Oregon law for this Subdivision. Pursuant to the provisions of the Declaration, each owner of a lot in the Subdivision will automatically be a member of the Association by virtue of ownership of a lot.

We do not exercise, nor have the right to exercise control of the Association, as we have turned over control of the Association to the lot owners.

Each member will be required to pay to the Association annual or periodic assessments or charges. The annual or periodic assessments shall include any reserve assessments necessary to establish and maintain any reserve funds created pursuant to the Declaration. The amount of the current annual assessment is \$3,660 per lot per year. The amount of the assessment will be determined by the Board at least thirty days in advance of each assessment period and may be adjusted by the Board as the needs of the Association may, in the judgment of the Board, require.

In addition to the regular annual assessments, members will also be subject to special assessments levied by the Association to cover any non-recurring maintenance or the acquisition, construction, reconstruction, repair or replacement of capital improvements upon any Common Maintenance Areas. In addition, the Association shall have the authority to assess an owner for costs and expenses incurred by the Association for corrective action which is required as a result of the willful or negligent actions or omissions of such owner or such owner's family members, tenants, guests, contractors or invitees. The Association also has the right to levy reimbursement assessments against any owner and the owner's lot to reimburse the Association for the costs of repairing damage caused by an owner or an owner's invitee or if a failure to comply with the Project Documents has necessitated an expenditure of monies, including attorneys' fees, by the Association to bring the owner or the owner's lot into compliance or in the imposition of a fine or penalty.

Each assessment, together with interest, late charges, costs and reasonable attorney's fees, shall be a continuing lien upon the lot against which each such assessment is paid, enforceable as provided in the Declaration, and shall also be the personal obligation of the owner of the lot.

The functions and responsibilities of the Association will be to provide for the management, maintenance, protection and health, safety welfare and other general benefit of its members. Such functions and responsibilities of the Association will include, but will not be limited to, imposing and collecting assessments, making and enforcing reasonable regulations

governing the use of the property, enforcing the Declaration and carrying out the maintenance responsibilities provided in the Declaration.

The Association, through the Design Review Committee, will exercise architectural control over any proposed improvements to your lot, including the construction of your residence. You will be required to obtain the approval of this committee prior to constructing any improvement on your lot. We have the right to appoint the members of the Design Review Committee during the Initial Term of the Declaration and until we elect to turn control of architectural review over to the Association.

The level of assessments to be established by the Board of Directors is anticipated to be sufficient to meet the anticipated operating expenses, including maintenance costs, of the Association. There are no other functions or services which we currently provide at no charge which if transferred to the Association would result in an increase in assessments or fees in order to continue the functions or services.

TAXES

After title to your lot is transferred to you, you will be responsible for real property taxes assessed by Deschutes County. The 2021-2022 tax rate is \$12.4453 per \$1,000 of taxable assessed value for vacant lots. Based on this rate, the current taxes for lots with sales prices ranging from \$300,000 to \$650,000 are estimated to range from \$3,734 to \$8,089.

RESALE OR EXCHANGE PROGRAM

Pursuant to Section 9.5 of the Declaration, the posting of signs of any kind, including signs advertising the sale of real property, on lots or improvements located on lots within the Subdivision requires the prior written consent of the DRC.

We have no program to assist you in the sale of your lot; however, our affiliate Sunriver Realty is a full service real estate company licensed in the State of Oregon with 25 licensed real estate brokers available to assist with the sale of lots located within the Subdivision.

We have no program which assures that you will be able to exchange your lot for another.

EQUAL OPPORTUNITY IN LOT SALES

We are in compliance with Title VIII of the Civil Rights Act of 1986 by not directly or indirectly discriminating on the basis of race, color, religion, sex, handicap, familial status or national origin in our marketing and advertising, our lot services, or in the terms and conditions of our sales.

LISTING OF LOTS

The lots included in this offering consist of 100 lots described below:

Lots 321 - 390 in Caldera Springs, Phase A as shown on the subdivision plat of Caldera Springs, Phase A recorded as Document No. 2022-04791 in the Official Records of Deschutes County, Oregon.

70 lots in Phase A

Lots 391 - 420 in Caldera Springs, Phase B as shown on the tentative subdivision plan of Caldera Springs, Phase B to be recorded in the Official Records of Deschutes County, Oregon.

30 lots in Phase B

TOTAL NUMBER OF LOTS IN THIS REPORT: 100 lots

COST SHEET, SIGNATURE OF SENIOR EXECUTIVE OFFICER
COST SHEET

In addition to the purchase price of your lot, there are other expenditures which must be made. Listed below are the major costs. There may be other fees for use of the recreational facilities. All costs are subject to change.

Sales Price of Lot

Cash Price of Lot	\$	_____
Finance Charge	\$0 (no seller financing)	_____
Total	\$	_____

Estimated One-Time Charges

1. Water Connection Fee	\$50
2. Sewer Connection Fee	\$13,375
3. Construction costs to extend electric and telephone services to the lot line	\$
4. Other: Design Review Fee*	\$10,500 (of which \$5,000 is refundable)
	\$

*This fee is paid at the time of submitting construction plans to the Design Review Committee.

Total	\$	_____
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Total of estimated sales price and one-time charges	\$	_____
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Estimated annual charges, exclusive of utility use fees

1. Taxes – Average unimproved lot after sale to purchaser	\$3,734 – \$8,089
2. Association annual assessments	\$3,660

The information contained in this Property Report is an accurate description of our subdivision and development plans.

CALDERA SPRINGS REAL ESTATE LLC,
an Oregon limited liability company

By: Sunriver Resort Limited Partnership, a Delaware limited partnership, Its Sole Member

By: Lowe Sunriver, Inc., a California corporation

Its: General Partner

By: _____
Name: Tom O'Shea

RECEIPT, AGENT CERTIFICATION AND CANCELLATION PAGE

PURCHASER RECEIPT

IMPORTANT: READ CAREFULLY

Name of Subdivision: Caldera Springs Annexation
ILSRP Number: 40060

Date of Report: June 9, 2022

We must give you a copy of this Property Report and give you an opportunity to read it before you sign any contract or agreement. By signing this receipt, you acknowledge that you have received a copy of our Property Report.

Received by _____ Date _____
Street Address _____
City _____ State _____ Zip _____

If any representations are made to you which are contrary to those in this Report, please notify the:

Bureau of Consumer Financial Protection
1700 G Street NW
Washington, D.C. 20552

AGENT CERTIFICATION

I certify that I have made no representations to the person(s) receiving this Property Report which are contrary to the information contained in this Property Report.

Lot _____ Block _____ Section _____

Name of Salesperson _____
Signature _____ Date _____

PURCHASE CANCELLATION

If you are entitled to cancel your purchase contract, and wish to do so, you may cancel by personal notice, or in writing. If you cancel in person or by telephone, it is recommended that you immediately confirm the cancellation by certified mail. You may use the form below.

.....
Name of Subdivision: Caldera Springs Annexation
Date of Contract: _____

This will confirm that I/we wish to cancel our purchase contract.

Purchaser(s) signature _____ Date _____
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