

MONTECITO COMMUNITY DEVELOPMENT DISTRICT
DISCLOSURE OF INFORMATION

A Community Development District ("CDD") has been created to serve the long-term specific needs of the Montecito development and community. The CDD for the Montecito development is the Montecito Community Development District ("Montecito CDD"). Please see the separate disclosure for additional important information about the Montecito CDD.

The Montecito CDD has been created to construct, operate and maintain the Amenity Center, some of the landscaping, roadways, water system, sewer system, street lighting and other improvements within the Montecito community. The construction is financed by bonds issued and sold by the Montecito CDD. As a property owner within the Montecito CDD, you will pay annual assessments and/or taxes to the Montecito CDD. Your annual Montecito CDD assessment will consist of two components: (1) the amount necessary to repay these bonds; and (2) the amount necessary for on-going Operation and Maintenance ("O&M") of the facilities and improvements.

Any initial construction costs in excess of the amount generated by the sale of the bonds by the Montecito CDD may be paid by the developer, Towns of Montecito Community Developers, LLC, or by the Montecito CDD.

The assessments for the bond repayments and O&M are collected each year with the annual property tax bill, and these assessments are collected for the current fiscal year ("FY") which is from October 1st to September 30th. As a property owner with the Montecito CDD, you will receive an assessment each year on your tax bill, which should arrive in November of each year, for both the bond repayment and the O&M costs levied for that FY, in addition to any county, city and local government taxes and/or assessments for the calendar year.

The annual assessment on each Townhome owner within the Montecito CDD to retire (or pay-off) the bonds is \$900.00 per year.

The actual annual O&M costs are impossible to accurately project until all of the amenities, facilities and improvements are constructed and are in operation. The O&M costs will vary each year based on the budget adopted by the Montecito CDD. At this time, the O&M portion of the annual assessment on each Townhome owner within the Montecito CDD at full build out is estimated at \$875.00 per year.

Very truly yours,

MONTECITO COMMUNITY DEVELOPMENT
DISTRICT

By: 

Name: ROBERT M. RUSH
Title: Chairperson, Board of Supervisors

Accepted and acknowledged by _____ as of _____ (Date),
for Lot# _____