**Amended Disclosure Language re: Canyon Lake (CLPOA) Lease Dispute**

May 6, 2015

*The following including attachments is for use as disclosure documents in real estate transactions involving real properties located in Canyon Lake, California.*

This disclosure has been prepared by the legal Counsel for the Southwest Riverside County Association of REALTORS ® based upon public, non-privileged information available on the date of its preparation. Changes or updates to this information and the Lake Lease referenced below may be forthcoming as needed. However, the Association provides this as a member service and may not continue to monitor this situation. Each Buyer and/or Seller is strongly urged to seek independent legal advice.

1. Currently there are pending lawsuits, countersuits, and claims related to the Canyon Lake lease agreement (the “Lake Lease”) between the Canyon Lake Property Owners Association (the “CLPOA”) and the Elsinore Valley Municipal Water District (the “EVMWD”) that may affect the value or desirability of property within Canyon Lake. See attached: “Escrow/Lender Letter, dated March 27, 2015,” prepared by Counsel for the CLPOA; “Rejection of Government Claim Letter, dated March 26, 2015," prepared by Counsel for the EVMWD; “Informational Letter, dated March 30, 2015,” prepared by the EVMWD and “Notice of Default” prepared by counsel for EVMWD; “Press Release, dated April 27, 2015,” prepared by the EVMWD, and; “Letter from EVMWD Counsel, dated April 29, 2015,” prepared by Counsel for the EVMWD.
2. Material pleadings and allegations within Riverside County Superior Court Case No. RIC 1503428 and Riverside Superior Court Case No. RIC 1504034 (available on the Court’s Case Access website) include:
   1. A claim by the CLPOA that the Lake Lease is oppressive and unfair to the CLPOA.
   2. A counterclaim by the EVMWD that the CLPOA is presently in default of the Lake Lease.
   3. A claim by the CLPOA that the EVMWD’s billings to CLPOA violate the California Constitution.

1. A claim filed by the CLPOA against the EVMWD alleging that the EVMWD has overcharged the CLPOA by approximately $6,000,000.00 since 2010 has been rejected by the EVMWD.
2. On or about April 13, 2015, the CLPOA made the delinquent payment that was the subject of the default declared by the EVMWD, referenced in item B(1) above. (See attached “Press Release, dated April 27, 2015.”)
3. On April 29, 2015, Counsel for the EVMWD returned the CLPOA’s check identified in item D along with an explanation letter. See attached “Letter from EVMWD Counsel, dated April 29, 2015,” prepared by Counsel for EVMWD.
4. The dispute noted above appears to be a complex legal matter. Neither the Broker(s), Agent(s), nor the Southwest Riverside County Association of REALTORS ® makes any representation, or offers any opinion, or offers any other statement of law or fact as to the possible or probable outcome or effect of pending lawsuits or claims, or as to the merits of any of the included allegations.

State law prohibits non-attorneys from providing legal analysis, opinion or advice. Be advised that the parties to a real estate transaction should engage in their own due diligence, which may include seeking the advice of independent legal counsel, particularly regarding items A-E above.