

RECEIPT FOR PUBLIC REPORT

The Laws and Regulations of the California Real Estate Commissioner require that you as a prospective purchaser or lessee be afforded an opportunity to read the public report for this subdivision before you make any written offer to purchase or lease a subdivision interest or before any money or other consideration toward purchase or lease of a subdivision interest is accepted from you.

In the case of a preliminary or interim public report, you must be afforded an opportunity to read the public report before a written reservation or any deposit in connection therewith is accepted from you.

In the case of a conditional public report, delivery of legal title or other interest contracted for will not take place until issuance of a final public report. Provision is made in the sales agreement and escrow instructions for the return to you of the entire sum of money paid or advanced by you if you are dissatisfied with the final public report because of a material change. (See California Business and Professions Code Section 11012.)

DO NOT SIGN THIS RECEIPT UNTIL YOU HAVE RECEIVED A COPY OF THE PUBLIC REPORT AND HAVE READ IT.

I read the Commissioner's Public Report on _____
[FILE NUMBER]

FINAL MAP NO. 2023-027 ESPLANADE AT TURKEY CREEK – PHASE 5A/5B/5C

FINAL MAP NO. 2025-076 ESPLANADE AT TURKEY CREEK – PHASE 6A/6B/6C/6D

[TRACT NUMBER OR NAME]

[PHASE NUMBER] [LOT/UNIT NUMBER]

I understand the public report is not a recommendation or endorsement of the subdivision, but is for information only.

The issue date of the public report which I received and read is:

[DATE ISSUED]

[DATE AMENDED]

[EXPIRATION DATE]

[NAME]

[SIGNATURE]

[ADDRESS]

[DATE]

*Department of Real Estate
of the
State of California*

**FINAL SUBDIVISION PUBLIC REPORT
PLANNED DEVELOPMENT**

In the matter of the application of

TAYLOR MORRISON OF CALIFORNIA, LLC
a California limited liability company

FILE NO.: 177035SA-F00

ISSUED: AUGUST 20, 2025

EXPIRES: AUGUST 19, 2030

for a Final Subdivision Public Report on

FINAL MAP NO. 2023-027
ESPLANADE AT TURKEY CREEK – PHASE 5A/5B/5C
FINAL MAP NO. 2025-076
ESPLANADE AT TURKEY CREEK – PHASE 6A/6B/
6C/6D
ESPLANADE AT TURKEY CREEK (PHASE 30)

PLACER COUNTY, CALIFORNIA

DEPARTMENT OF REAL ESTATE

by 
Jessica Monaghan

CONSUMER INFORMATION

- ◆ **This report is not a recommendation or endorsement of the subdivision; it is informative only.**
- ◆ **Buyer or lessee must sign that (s)he has received and read this report.**
- ◆ A copy of this subdivision public report along with a statement advising that a copy of the public report may be obtained from the owner, Subdivider, or agent at any time, upon oral or written request, *must* be posted in a conspicuous place at any office where sales or leases or offers to sell or lease interests in this subdivision are regularly made. *[Reference Business and Professions (B&P) Code Section 11018.1(b)]*

This report expires on the date shown above. All material changes must be reported to the Department of Real Estate. *(Refer to Section 11012 of the B&P Code; and Chapter 6, Title 10 of the California Administrative Code, Regulation 2800.)* Some material changes may require amendment of the Public Report; which Amendment must be obtained and used in lieu of this report.

Section 12920 of the California Government Code provides that the practice of discrimination in housing accommodations on the basis of race, color, religion, sex, marital status, domestic partnership, national origin, physical handicap, ancestry, gender identity, gender expression, sexual orientation, familial status, source of income, disability, or genetic information is against public policy.

Under Section 125.6 of the B&P Code, California real estate licensees are subject to disciplinary action by the Real Estate Commissioner if they discriminate or make any distinction or restriction in negotiating the sale or lease of real property because of the race, color, sex, religion, ancestry, national origin, disability, medical condition, genetic information, marital status, sexual orientation, or physical handicap of the client. If any prospective buyer or lessee believes that a licensee is guilty of such conduct, (s)he should contact the Department of Real Estate.

Read the entire report on the following pages before contracting to buy or lease an interest in this subdivision.

COMMON INTEREST DEVELOPMENT GENERAL INFORMATION

Common Interest Development

The project described in the attached Subdivision Public Report is known as a common-interest development. Read the Public Report carefully for more information about the type of development. The development includes common areas and facilities which will be owned and/or operated by an owners' association. Purchase of a lot or unit automatically entitles and obligates you as a member of the association and, in most cases, includes a beneficial interest in the areas and facilities. Since membership in the association is mandatory, you should be aware of the following information before you purchase:

Governing Instruments

Your ownership in this development and your rights and remedies as a member of its association will be controlled by governing instruments which generally include a Declaration of Restrictions (also known as CC&R's), Articles of Incorporation (or association) and bylaws. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law. Study these documents carefully before entering into a contract to purchase a subdivision interest.

Assessments

In order to provide funds for operation and maintenance of the common facilities, the association will levy assessments against your lot or unit. If you are delinquent in the payment of assessments, the association may enforce payment through court proceedings or your lot or unit may be liened and sold through the exercise of a power of sale. The anticipated income and expenses of the association, including the amount that you may expect to pay through assessments, are outlined in the proposed budget. Ask to see a copy of the budget if the subdivider has not already made it available for your examination.

Common Facilities

A homeowner association provides a vehicle for the ownership and use of recreational and other common facilities which were designed to attract you to buy in this development. The association also provides a means to accomplish architectural control and to provide a base for homeowner interaction on a variety of issues. The purchaser of an interest in a common-interest development should contemplate active participation in the affairs of the association. He or she should be willing to serve on the board of directors or on committees

created by the board. In short, "they" in a common interest development is "you". Unless you serve as a member of the governing board or on a committee appointed by the board, your control of the operation of the common areas and facilities is limited to your vote as a member of the association. There are actions that can be taken by the governing body without a vote of the members of the association which can have a significant impact upon the quality of life for association members.

Subdivider Control

Until there is a sufficient number of purchasers of lots or units in a common interest development to elect a majority of the governing body, it is likely that the subdivider will effectively control the affairs of the association. It is frequently necessary and equitable that the subdivider do so during the early stages of development. It is vitally important to the owners of individual subdivision interests that the transition from subdivider to resident-owner control be accomplished in an orderly manner and in a spirit of cooperation.

Cooperative Living

When contemplating the purchase of a dwelling in a common interest development, you should consider factors beyond the attractiveness of the dwelling units themselves. Study the governing instruments and give careful thought to whether you will be able to exist happily in an atmosphere of cooperative living where the interests of the group must be taken into account as well as the interests of the individual. Remember that managing a common interest development is very much like governing a small community ... the management can serve you well, but you will have to work for its success. [B & P Code Section 11018.1(c)]

Informational Brochure

The Department of Real Estate publishes the ***Living in a California Common Interest Development*** brochure. The information in this brochure provides a brief overview of the rights, duties and responsibilities of both associations and individual owners in common interest developments. To review or obtain a **free** copy of this brochure, please visit the Department of Real Estate (DRE) website: www.dre.ca.gov.

RE 646 (Rev. 1/20)

THIS REPORT COVERS ONLY RESIDENTIAL LOTS 402 THROUGH 404, INCLUSIVE, AND LOTS 599 THROUGH 601, INCLUSIVE, OF THE “FINAL MAP NO. 2023-027 ESPLANADE AT TURKEY CREEK – PHASES 5A, 5B & 5C”, AND LOTS 419 THROUGH 424, INCLUSIVE, LOTS 591 THROUGH 598, INCLUSIVE, AND LOTS 608 THROUGH 614, INCLUSIVE, OF THE “FINAL MAP NO. 2025-076 ESPLANADE AT TURKEY CREEK – PHASES 6A, 6B, 6C & 6D” (THE “**SUBDIVISION**”) WHICH ARE LOCATED IN THE ESPLANADE AT TURKEY CREEK RESIDENTIAL DEVELOPMENT (THE “**COMMUNITY**”). THE SUBDIVISION AND THE COMMUNITY ARE BEING DEVELOPED BY TAYLOR MORRISON OF CALIFORNIA, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY (THE “**SUBDIVIDER**”).

THE COMMUNITY IS A “SENIOR CITIZEN HOUSING DEVELOPMENT” UNDER CALIFORNIA CIVIL CODE SECTION 51.3 AND IS INTENDED TO COMPLY WITH CALIFORNIA AND FEDERAL HOUSING LAWS. EACH RESIDENTIAL LOT IN THE COMMUNITY IS SUBJECT TO THE AGE RESTRICTIONS SET FORTH IN THE GOVERNING DOCUMENTS (DEFINED BELOW, AND AT LEAST ONE PERSON 55 YEARS OF AGE OR OLDER MUST RESIDE IN THE PROPERTY WITH LIMITED RESTRICTIONS ON OTHERS ALLOWED TO LIVE IN THE PROPERTY. PURCHASERS OF PROPERTY IN THE COMMUNITY WILL BE REQUIRED TO CERTIFY COMPLIANCE WITH THE REQUIREMENTS OF AGE-RESTRICTED HOUSING. IF THE PERSON INTENDED TO RESIDE IN THE HOME IS NOT 55 YEARS OF AGE OR OLDER, DO NOT ENTER INTO A CONTRACT TO PURCHASE A HOME IN THE COMMUNITY.

SPECIAL INTEREST AREAS IN THIS FINAL PUBLIC REPORT: YOUR ATTENTION IS ESPECIALLY DIRECTED TO THE PARAGRAPHS BELOW ENTITLED: EASEMENTS, MANAGEMENT AND OPERATION, MAINTENANCE AND OPERATIONAL EXPENSES, USES/ZONING/HAZARD DISCLOSURES, TITLE, TAXES, FINANCING, PURCHASE MONEY HANDLING, SOILS AND GEOLOGIC CONDITIONS, UTILITIES AND OTHER SERVICES.

NOTE: IN ADDITION TO THESE AREAS, IT IS IMPORTANT TO READ AND THOROUGHLY UNDERSTAND THE REMAINING SECTIONS SET FORTH IN THIS FINAL SUBDIVISION PUBLIC REPORT PRIOR TO ENTERING INTO A CONTRACT TO PURCHASE. ALL REFERENCES TO THE “**CONTRACT**” SHALL COLLECTIVELY REFER TO THE PURCHASE AGREEMENT AND ALL APPLICABLE ESCROW INSTRUCTIONS, ADDENDA AND AMENDMENTS.

BEFORE SIGNING, YOU SHOULD READ AND THOROUGHLY UNDERSTAND ALL SALES CONTRACT AND LOAN DOCUMENTS. IF YOU DO NOT UNDERSTAND THE TERMS OF YOUR CONTRACT OR LOAN DOCUMENTS, YOU MAY WISH TO CONSIDER CONSULTING WITH YOUR OWN ATTORNEY BEFORE ENTERING INTO A CONTRACT TO PURCHASE THE PROPERTY.

CONDITIONAL SUBDIVISION PUBLIC REPORT: IF YOU ENTERED INTO A CONTRACT TO PURCHASE OR LEASE AN INTEREST IN THE SUBDIVISION UNDER AUTHORITY OF A CONDITIONAL SUBDIVISION PUBLIC REPORT (“**CONDITIONAL PUBLIC REPORT**”), THE CONTRACT CONTAINED ARRANGEMENTS FOR THE RETURN TO YOU OF MONIES PAID OR ADVANCED IF YOU ARE DISSATISFIED WITH THIS FINAL SUBDIVISION PUBLIC REPORT (“**FINAL PUBLIC REPORT**”) BECAUSE OF A MATERIAL CHANGE IN THE SETUP OF THE OFFERING COVERED BY BUSINESS & PROFESSIONS CODE SECTION 11012. YOU ARE ADVISED TO CAREFULLY READ THIS FINAL PUBLIC REPORT SINCE IT CONTAINS INFORMATION THAT IS MORE CURRENT AND POSSIBLY DIFFERENT FROM THAT INCLUDED IN THE CONDITIONAL PUBLIC REPORT.

PRELIMINARY SUBDIVISION PUBLIC REPORT: IF YOU RECEIVED A PRELIMINARY SUBDIVISION PUBLIC REPORT FOR THIS SUBDIVISION, YOU ARE ADVISED TO CAREFULLY READ THIS FINAL PUBLIC REPORT SINCE IT CONTAINS INFORMATION THAT IS MORE CURRENT AND PROBABLY DIFFERENT FROM THAT INCLUDED IN THE PRELIMINARY PUBLIC REPORT.

THE USE OF THE TERM "**PUBLIC REPORT**" SHALL MEAN AND REFER TO THIS FINAL PUBLIC REPORT.

OVERVIEW OF SUBDIVISION

Location: This subdivision is located at Ferrari Ranch Road and McBean Park Drive within the city limits of Lincoln, California. Prospective purchasers should acquaint themselves with the kinds of city services available.

Type of Subdivision: This subdivision is part of a Community that is a common-interest development of the type referred to as a planned development. The Community will be a gated residential development that includes common areas, common facilities, and common amenities which will be maintained by an incorporated association.

Interests to Be Conveyed: You will receive fee title to a specified Lot together with a membership in the Esplanade at Turkey Creek Community Association ("**Association**") and rights to use the common area.

About This Phase: This public report is for the 30th phase which consists of approximately 5.16 acres divided into 27 Residential Lots and common area parcels T23 and T25. The estimated completion date is March 2025.

This phase is part of the Community which, if developed as proposed, will consist of a total of 45 phases containing approximately 862 Lots within the overall Community. The estimated completion date for the Community is July 2026.

A common amenity and facility, "The Lodge" has been constructed as part of Phase 27 of the Community. The Subdivider advises that The Lodge was completed in July 2022.

There is no assurance that the Community will be completed as proposed.

FUTURE DEVELOPMENT OF THE SUBDIVISION OR THE COMMUNITY CANNOT BE PREDICTED WITH ACCURACY. THE SUBDIVIDER HAS THE RIGHT TO BUILD MORE OR FEWER THAN THE NUMBER OF HOMES CURRENTLY PLANNED, CHANGE PRODUCT LINES, ENLARGE OR DECREASE THE SIZE OF HOMES, ADDING LARGER, SMALLER OR DIFFERENTLY DESIGNED MODELS OR CHANGING (PARTIALLY OR IN TOTAL) DESIGNS AND/OR MATERIALS, AT ANY POINT DURING DEVELOPMENT.

DUE TO THE INABILITY TO PREDICT FUTURE MARKET CONDITIONS WITH ACCURACY, THERE ARE NO ASSURANCES THAT THE SUBDIVISION OR COMMUNITY WILL BE BUILT AS CURRENTLY PLANNED, OR PURSUANT TO ANY PARTICULAR BUILD-OUT SCHEDULE. TOPOGRAPHICAL MAPS IN THE SALES OFFICE, LOT PLOTTING MAPS, MAPS OFFERED

BY SUBDIVIDER AND OTHER FORMS SHOWING "COMPLETE" SUBDIVISION PROJECTIONS DO NOT NECESSARILY COMMIT THE SUBDIVIDER TO COMPLETE THE SUBDIVISION OR COMMUNITY OR, IF COMPLETED, TO COMPLETE THE SUBDIVISION OR COMMUNITY AS SHOWN. THE SUBDIVIDER MAY SELL AT ANY TIME, ALL OR ANY PORTION OF THE LOTS WITHIN THE SUBDIVISION OR COMMUNITY TO ANY THIRD PARTY, INCLUDING OTHER DEVELOPERS OR BUILDERS.

Sale of All Residences: The Subdivider has indicated that Subdivider intends to sell all of the Lots in this subdivision; however, any owner, including the Subdivider, has a legal right to rent or lease the Lots.

SUBDIVIDER AND PURCHASER OBLIGATIONS: IF YOU PURCHASE FIVE OR MORE LOTS FROM THE SUBDIVIDER, THE SUBDIVIDER IS REQUIRED TO NOTIFY THE REAL ESTATE COMMISSIONER OF THE SALE. IF YOU INTEND TO SELL YOUR INTERESTS OR LEASE THEM FOR TERMS LONGER THAN ONE YEAR, YOU ARE REQUIRED TO OBTAIN AN AMENDED FINAL PUBLIC REPORT BEFORE YOU CAN OFFER THE INTERESTS FOR SALE OR LEASE.

NOTE: WHEN YOU SELL YOUR LOT TO SOMEONE ELSE, YOU MUST GIVE THAT PERSON A COPY OF THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, ARTICLES OF INCORPORATION, THE BYLAWS AND A TRUE STATEMENT CONCERNING ANY DELINQUENT ASSESSMENTS, PENALTIES, ATTORNEYS FEES OR OTHER CHARGES, PROVIDED BY THE RESTRICTIONS OR OTHER MANAGEMENT DOCUMENTS ON THE LOT THE DATE THE STATEMENT WAS ISSUED.

WARNING: IF YOU FORGET TO DO THIS, IT MAY COST YOU A PENALTY OF \$500.00 – PLUS ATTORNEY'S FEES AND DAMAGES (CALIFORNIA CIVIL CODE SECTION 4540).

Completion of Common Area: The Seller has posted a bond as partial security to ensure completion of the common amenities in the Phase.

NOTWITHSTANDING ANY PROVISION IN THE CONTRACT TO THE CONTRARY, A PROSPECTIVE BUYER HAS THE RIGHT TO NEGOTIATE WITH THE SUBDIVIDER TO ALLOW AN INSPECTION OF THE PROPERTY BY THE PURCHASER OR THE PURCHASER'S DESIGNEE UNDER TERMS MUTUALLY AGREEABLE TO THE PROSPECTIVE BUYER AND SELLER.

MANAGEMENT AND OPERATION

Association Obligations and Governing Documents: The Association, of which you become a member at time of purchase, is governed by and manages, maintains, and operates the subdivision in accordance with the Covenants, Conditions and Restrictions (the "**CC&Rs**"), the Articles of Incorporation, ("**Articles**"), and the Bylaws. In addition, the Association has the right to adopt rules and regulations and guidelines for the subdivision and which will include subdivision design/architectural guidelines which will set forth the guidelines and procedures for design/architectural review within the subdivision. There may also be supplementary declarations or notices of annexation ("**Supplementary Declarations**") which will be recorded against portions of the subdivision which may set forth additional restrictions and easements covering the areas covered by the

Supplementary Declaration(s) (the CC&Rs, Bylaws, Articles, Supplementary Declaration(s) and rules and regulations and design/architectural guidelines may hereinafter be referred to as the “**Governing Documents**”). You should review each of these documents carefully.

Note: Class C Voting Provisions:

- Subdivider shall be the only Class C Member. The Class C Member shall have the right to appoint a majority of the Board, as more particularly described in the Bylaws. Class C membership shall terminate as provided in the Bylaws.

INITIAL MEETING: THE ASSOCIATION HAS BEEN FORMED PURSUANT TO THE TERMS AND PROVISIONS OF GOVERNING DOCUMENTS. SINCE THE COMMON AREA IMPROVEMENTS, AMENITIES, AND FACILITIES WILL BE MAINTAINED BY THE ASSOCIATION, IT IS ESSENTIAL THAT THIS ASSOCIATION BE FORMED EARLY AND PROPERLY. THE ASSOCIATION MUST HOLD THE FIRST MEMBERSHIP MEETING AND ELECTION OF THE ASSOCIATION'S GOVERNING BODY WITHIN SIX MONTHS AFTER THE CLOSING OF THE SALE OF THE FIRST SUBDIVISION INTEREST UNDER THE FIRST FINAL PUBLIC REPORT FOR THE SUBDIVISION. HOWEVER, IN NO EVENT SHALL THE MEETING BE HELD LATER THAN SIX MONTHS AFTER THE CLOSING OF THE SALE OF THE FIRST SUBDIVISION INTEREST. (REGULATIONS 2792.17 AND 2792.19). THE ASSOCIATION MUST ALSO PREPARE AND DISTRIBUTE TO ALL HOMEOWNERS A BALANCE SHEET AND INCOME STATEMENT. THEREAFTER THE ASSOCIATION MUST HOLD ELECTIONS OF THE ASSOCIATION'S GOVERNING BODY IN ACCORDANCE WITH THE GOVERNING DOCUMENTS. THE ASSOCIATION MUST THEN ALSO PREPARE AND DISTRIBUTE TO ALL HOMEOWNERS A BALANCE SHEET AND INCOME STATEMENT AND A SUMMARY OF THE ASSOCIATION'S RESERVES BASED UPON THE MOST RECENT REVIEW OR STUDY CONDUCTED PURSUANT TO SECTIONS 5500 ET. SEQ. OF THE CALIFORNIA CIVIL CODE.

The CC&Rs: This Subdivision and the Community are subject to the Declaration of Covenants, Conditions and Restrictions for Esplanade at Turkey Creek (“**CC&Rs**”), recorded September 30, 2021 as Document No. 2021-0122492-00 and the Declaration of Annexation for Esplanade at Turkey Creek Phase 30 (“**Supplemental Declaration**”), recorded August 8, 2025 as Document No. 2025-0042612-00, both in the Office of the Placer County Recorder. The CC&Rs include, among other provisions, the following:

- Article 4 – Use Restrictions
- Article 5 – Improvements to Lots/Residences; Disclosures
- Article 6 – Assessments and Liens
- Article 7 – Maintenance of Property
- Article 8 – Architectural Control
- Article 18 – Senior Housing
- Article 19 – Golf Course

Amendments and/or supplements to the CC&Rs may also be recorded. You may ask the Subdivider about such changes. If you purchase a Lot, this information will be included in your title policy.

FOR INFORMATION AS TO YOUR OBLIGATIONS AND RIGHTS, YOU SHOULD READ THE CC&RS. THE SUBDIVIDER MUST MAKE THEM AVAILABLE TO YOU.

DOCUMENTS TO BE FURNISHED: THE SUBDIVIDER STATED THAT SUBDIVIDER WILL FURNISH THE CURRENT BOARD OF DIRECTORS OF THE ASSOCIATION AND EACH INDIVIDUAL PURCHASER WITH THE DEPARTMENT OF REAL ESTATE REVIEWED ASSOCIATION BUDGET.

THE SUBDIVIDER MUST MAINTAIN AND DELIVER TO THE ASSOCIATION THE SPECIFIC RECORDS AND MATERIALS LISTED IN REAL ESTATE COMMISSIONER'S REGULATION 2792.23 WITHIN THE STATED TIME PERIOD. THESE RECORDS AND MATERIALS DIRECTLY AFFECT THE ABILITY OF THE ASSOCIATION TO PERFORM ITS DUTIES AND RESPONSIBILITIES (SECTION 11018.5 OF THE CALIFORNIA BUSINESS & PROFESSIONS CODE AND SECTION 4800 OF THE CALIFORNIA CIVIL CODE).

THE SUBDIVIDER SHALL MAKE A COPY OF THE ARTICLES, THE BYLAWS, AND THE CC&RS AVAILABLE FOR EXAMINATION BY A PROSPECTIVE BUYER BEFORE EXECUTION OF AN OFFER TO PURCHASE A LOT. A COPY OF EACH MUST ALSO BE GIVEN TO EACH BUYER AS SOON AS PRACTICABLE BEFORE CLOSE OF ESCROW. THESE DOCUMENTS CONTAIN NUMEROUS MATERIAL PROVISIONS THAT SUBSTANTIALLY AFFECT AND CONTROL YOUR RIGHTS, PRIVILEGES, USE, OBLIGATIONS, AND COSTS OF MAINTENANCE AND OPERATION. YOU SHOULD READ AND UNDERSTAND THESE DOCUMENTS BEFORE YOU OBLIGATE YOURSELF TO PURCHASE A LOT (CALIFORNIA BUSINESS & PROFESSIONS CODE SECTION 11018.6).

MAINTENANCE AND OPERATIONAL EXPENSES

Association to Levy Assessments: THE ASSOCIATION HAS THE RIGHT TO LEVY ASSESSMENTS AGAINST YOU FOR MAINTENANCE OF THE COMMON AREAS, AMENITIES AND FACILITIES, AND OTHER PURPOSES. YOUR CONTROL OF OPERATIONS AND EXPENSES IS LIMITED TO THE RIGHT OF YOUR ELECTED REPRESENTATIVES TO VOTE ON CERTAIN PROVISIONS AT ASSOCIATION MEETINGS.

Proposed Budgets: The Subdivider has submitted budgets for the management, maintenance and operation of the Association obligations and for long-term reserves when the Community is substantially completed (built-out budget). These budgets were reviewed by the Department of Real Estate in October 2023. You should obtain copies of these budgets from the Subdivider.

Due to uncertainty in the sequence in which the phases in the Community will close escrows in individual housing types located in the Community, it is difficult to predict at this time the amount of the monthly assessment which will be assessed against each Lot in the Community.

As the Community is developed and additional phases of the Community become subject to assessment, the level of monthly assessments in existing phases of the Community may increase or decrease, subject to the limitations in the CC&Rs or Bylaws. Under the interim budget on file with the Department of Real Estate, the range of monthly

assessments during the development period will be between approximately \$343.00 and \$513.00. Of these amounts, the monthly contributions toward long-term reserves which are not to be used to pay for current management, maintenance and operating expenses will be between approximately \$82.77 and approximately \$64.16.

According to the Subdivider, assessments under the interim budget should be sufficient for management, maintenance and operation of the Association's obligations until the Community is substantially completed at which time it may be anticipated that assessments will be adjusted. Prior to the close of escrow for the sale of your Lot, the Subdivider will provide you with a copy of the budget for your phase, reflecting the amount of the initial assessment you will actually pay to the Association.

The Subdivider has entered into a Subsidy Agreement with the Association to subsidize assessments down to \$349.00 for this phase. See Subsidy section below for more information.

IF THE BUDGET FURNISHED TO YOU BY THE SUBDIVIDER SHOWS A MONTHLY ASSESSMENT FIGURE WHICH IS OUTSIDE OF THE RANGE OF ASSESSMENTS REFLECTED IN THE PUBLIC REPORT, YOU SHOULD CONTACT THE DEPARTMENT OF REAL ESTATE BEFORE ENTERING INTO A CONTRACT TO PURCHASE.

NOTE: THE BUDGET INFORMATION INCLUDED IN THIS PUBLIC REPORT IS APPLICABLE AS OF THE DATE OF BUDGET REVIEW AS SHOWN ABOVE. EXPENSES OF OPERATION ARE DIFFICULT TO PREDICT AND EVEN IF ACCURATELY ESTIMATED INITIALLY, MOST EXPENSES INCREASE WITH THE AGE OF FACILITIES AND WITH INCREASES IN THE COST OF LIVING.

BUDGET INFORMATION PROVIDED BY SUBDIVIDER: DELINQUENCIES IN THE PAYMENT OF ASSOCIATION ASSESSMENTS AFFECT THE ABILITY OF THE ASSOCIATION TO PERFORM ANY OR ALL OF ITS RESPONSIBILITIES AND COULD ALSO RESULT IN UNFORESEEN SPECIAL ASSESSMENTS LEVIED AGAINST ALL HOMES OR A SIGNIFICANT REDUCTION IN BUDGETED ASSOCIATION SERVICES. THE SUBDIVIDER MUST IMMEDIATELY NOTIFY THE DEPARTMENT OF REAL ESTATE IN WRITING, IF DELINQUENT ASSESSMENTS HAVE CAUSED THE ASSOCIATION TO RECEIVE TEN PERCENT (10%) LESS INCOME THAN REFLECTED IN THE THEN CURRENT ASSOCIATION BUDGET (REGULATION 2800K).

THE SUBDIVIDER MUST MAKE AVAILABLE TO YOU A STATEMENT CONCERNING ANY DELINQUENT ASSESSMENTS AND RELATED CHARGES AS PROVIDED BY THE GOVERNING DOCUMENTS AND, IF AVAILABLE, CURRENT FINANCIAL INFORMATION AND RELATED STATEMENTS (CALIFORNIA BUSINESS & PROFESSIONS CODE SECTION 11018.6).

In addition to other documentation provided to each prospective Buyer, a copy of the current financial information, and related statements, to the extent available, as specified by California Civil Code Section 5300(b) must be made available for examination by a prospective Buyer before the execution of an offer to purchase a Lot. A copy of this financial information must also be given to each Buyer as soon as practicable before close of escrow. YOU SHOULD PAY SPECIAL ATTENTION TO THIS FINANCIAL INFORMATION,

AS IT PERTAINS TO CURRENT AND POSSIBLE FUTURE FINANCIAL OBLIGATIONS AFFECTING ALL HOMEOWNERS WITHIN THE COMMUNITY. If you do not understand the contents of these financial documents, you may wish to consult with your own professional advisors. Should the amounts collected by the Association prove insufficient to properly maintain, operate, repair or replace the common facilities, the Association may increase Regular Assessments or levy one or more Special Assessments in accordance with the Governing Documents in order to provide such funding, which may affect your ability to purchase, or, as an alternative, the Association may decide to defer maintenance or eliminate services.

Exemptions from Association Regular Assessments: The CC&Rs provide that the Subdivider or other owner of a subdivision interest will be allowed to defer from payment, that portion of any assessment which is directly attributable to any structural improvement and/or common facility that is not complete at the time assessments commence. The amount of the deferment may be a fixed amount or may vary based upon dates of completion or use. Once the established criterion is met and the authority allowing the deferment is eliminated, all owners must pay the full amount of the monthly assessment as outlined herein. The limitations of this allowance are specifically set forth in the CC&Rs. (Regulation 2792.16c).

Utility Rates: The utility rates used for the calculations within the above referenced budgets are based on information available at the time of the budget review dates (as shown above). Increases in assessments may be required as a measure to provide adequate funds to compensate for potential utility rate increases. Purchasers should be aware of the possible affect these increases may have on their assessments.

Assessments Increases/Decreases: The Association may increase or decrease assessments at any time in accordance with the procedure prescribed in the CC&Rs or Bylaws. In considering the advisability of a decrease (or a smaller increase) in assessments, care should be taken not to eliminate amounts attributable to reserves for replacement or major maintenance.

Commencement of Assessments: Regular assessments for the Association will commence on all Lots in this phase on the first day of the month immediately following the conveyance of the first subdivision Lot in the phase. The Subdivider must pay assessments to the Association for all unsold Lots (Regulations 2792.9 and 2792.16).

Failure to Pay: The remedies available to the Association against owners who are delinquent in the payment of assessments are set forth in the CC&Rs. These remedies are available against the Subdivider as well as against other owners.

Subdivider's Assessment Security: The Subdivider has posted a bond as partial security for the obligation to pay these assessments. The governing body of the Association should assure itself that the Subdivider has satisfied these obligations to the Association with respect to the payment of assessments before agreeing to a release or exoneration of the Security.

Subsidy: The Subdivider has entered into an agreement with the Association to temporarily subsidize a portion of your monthly assessment. The Subsidy commences with the first close of escrow on a Lot in Phase 30 and terminates on the earlier of: (a) six (6) months from the first (1st) day of the first (1st) month following the close of the first (1st) escrow in Phase 30; or (b) the date Regular Assessments commence for the first (1st) Lot within a subsequent Phase of the Community. The Subsidy Agreement may be extended for one (1) or more periods of six (6) months each, in accordance with the terms and provisions of the Agreement. During the term of the Agreement, the Subdivider will subsidize the monthly installment of Regular Assessments. The amount of the monthly subsidy for each Lot shall be the difference between the amount by which the monthly Regular Assessment, less any exemption or abatement credit for uncompleted Common Area, that is levied against the Lot exceeds \$349.00. The Subdivider has posted a bond to cover its obligations under the Agreement. You may request a copy of the Subsidy Agreement from the Subdivider. You should be aware that the Subsidy Agreement could expire prior to your purchase of a Lot, in which case the amount of the monthly installment of the Regular Assessments to be paid by you will increase to the full amount assessable against each Lot in such Phase.

The Road Easement, Use and Maintenance Agreement: The Subdivider will enter into a Road Easement, Use and Maintenance Agreement (“**Road Agreement**”) with the Association in order to provide for the non-exclusive easement for vehicular and pedestrian use of the private streets to the Association and its members until such time as the private streets are deeded to the Association. The Road Agreement has been executed to be effective as of the date it is recorded in the Official Records of Placer County, California. The Road Agreement terminates upon the conveyance of all portions of the private streets to the Association. The Subdivider has posted a bond to cover its obligations under the Road Agreement. You may request a copy of the Road Agreement from the Subdivider.

The Lodge Use and Maintenance Agreement: The Subdivider has entered into a Lodge Use and Maintenance Agreement (“**Lodge Agreement**”) with the Association in order to provide for the non-exclusive easement to the Association for the use of the Lodge by the Association and its members until such time as the Lodge is deeded to the Association. The Lodge Agreement has been executed to be effective as of the date it is recorded in the Official Records of Placer County, California. The Lodge Agreement terminates upon the conveyance of all portions of the Lodge to the Association. The Subdivider has posted a bond to cover its obligations under the Lodge Agreement. You may request a copy of the Lodge Agreement from the Subdivider.

USES/ZONING/HAZARD DISCLOSURES

The Subdivider has set forth below references to various uses, zoning, hazards and other matters based on information from a variety of sources. You should independently verify the information regarding these matters, as well as all other matters, that may be of concern to you regarding the subdivision, the Community and all existing, proposed or possible future uses adjacent to or in the vicinity of the Community. At the time this public

report was issued, some of the land uses that surround the Community include, but are not limited to, the following:

Zoning:

North - Residential

South - Residential

East - Golf Course, Potential future school

West - Residential, Commercial

Uses: Auburn Ravine is immediately to the north and west of the subdivision, and may be subject to seasonal flooding. McBean Park Drive/Lincoln-Newcastle Highway is immediately south. Turkey Creek Golf Club is immediately east of the subdivision. Oak Tree Lane is intended to extend immediately east. Ferrari Ranch Road is intended to extend immediately west and north.

Hazards: The Subdivider advises that the following hazard exists within or near this Community:

Special Flood Hazard Area. The Subdivider has advised that all or portions of the subdivision subject to this Public Report are located within a *Special Flood Hazard Area* as designated by the Federal Emergency Management Agency. All lots in the Community have been filled in a manner to raise them above the 100-year flood plain elevations. An application will be filed with FEMA by Subdivider's consultant for an amendment to the Flood Insurance Rate Maps to remove the lots which have been filled to the required, minimum elevation from the 100-year flood plain. The timing of approval of the amendment to the FIRM is controlled by FEMA, and Subdivider will not be responsible for any delays or the failure of FEMA to amend the FIRM. Subdivider is not be responsible for any changes FEMA makes to the FIRM applicable to where the property being purchased is located. If the property is in a flood plain, the purchaser may be required by the lender to purchase flood insurance. Purchaser should consult with one or more carriers of flood insurance for a better understanding of the type of coverage and premiums. Additionally, the Subdivider has advised that prospective purchasers within this Area will be provided a separate disclosure required under California Government Code Section 8589.3.

County Fire Hazard Zone. The Community is located within a Placer County fire hazard zone that is deemed to have a "Moderate Fire Threat Level." County fire hazard zones are areas which historically contain the conditions and type of topography, weather, vegetation and structure density to increase the susceptibility to fires. In these areas, the County may impose strategies to enforce fire mitigation measures, including fire or fire breaks, brush clearance, and fuel load management measures. Fire defense improvements may be demanded by the CALFIRE, including special weed abatement, brush management, and minimum clearance around structures. Inclusion of the Community within a fire hazard zone may impact premiums and rates for insurance

policies that a Buyer may be required to obtain. Buyer should conduct its own investigation to determine the potential impact of the property being in a fire hazard zone.

CHANGE IN FIRE HAZARD SEVERITY ZONES. THE MAPS FOR THE STATE RESPONSIBILITY AREA AND LOCAL RESPONSIBILITY AREA INDICATING WHAT FIRE HAZARD SEVERITY ZONE THAT THE PROPERTY IS IN (IF AT ALL) CAN CHANGE. YOU SHOULD KEEP APPRISED OF THE CURRENT FIRE HAZARD SEVERITY ZONE THAT THE PROPERTY MAY BE IN. IN THE EVENT THE PROPERTY IS IN A FIRE HAZARD SEVERITY ZONE AND THAT ZONE DECREASES BEFORE YOU CLOSE ESCROW ON THE PROPERTY, SUBDIVIDER WILL BE REQUIRED TO PROVIDE YOU WITH AN UPDATED INDIVIDUAL NATURAL HAZARD DISCLOSURE REPORT FOR YOUR REVIEW BEFORE YOU CLOSE ESCROW. IN THE EVENT THE PROPERTY IS LATER MAPPED TO BE IN A FIRE HAZARD SEVERITY ZONE OR THE PROPERTY IS ALREADY IN A FIRE HAZARD SEVERITY ZONE AND THAT ZONE INCREASES BEFORE YOU CLOSE ESCROW ON THE PROPERTY, SUBDIVIDER WILL BE REQUIRED TO PROVIDE YOU WITH A DISCLOSURE REGARDING THE CHANGE AND AN UPDATED INDIVIDUAL NATURAL HAZARD DISCLOSURE REPORT BEFORE YOU CLOSE ESCROW. YOU SHOULD CAREFULLY CONSIDER THE INSURANCE AND OTHER IMPACTS ON YOUR FINANCIAL SITUATION THAT COULD RESULT IN THE EVENT THE PROPERTY IS LATER MAPPED TO BE IN A FIRE HAZARD SEVERITY ZONE OR THE FIRE HAZARD SEVERITY ZONE INCREASES AND YOU CHOOSE TO SUBSEQUENTLY CLOSE ESCROW ON THE PROPERTY.

Insurance. The inherent risks of wildfires in California along with the fire zone designation for the property may have an adverse impact on insurance premiums for homeowner's insurance or homeowner's association insurance (fire insurance in particular) may not be available at all. If fire insurance is not available from a traditional carrier, then basic fire insurance may be available through the California FAIR Plan, but it may have certain limitations or exclusions on coverage as compared to traditional carriers. You should consult with a licensed California insurance agent for additional information about the costs and availability of insurance for the property. Subdivider has provided no assurances or guarantees as to whether any type of insurance is or will be available for the property or what the cost may be. The availability and cost of association fire or other casualty insurance for the common area may be similarly impacted as a result of the subdivision being located in a fire zone. This impact may result in the lack of insurance or assessment increases due to increases in insurance costs over time.

County Ground Shaking Zone. Although the overall County is located between two seismically active regions in the western United States, the Community is not presently located in a known seismic/geologic hazard zone. Notwithstanding, the Community may be subject to ground shaking levels expressed as peak ground acceleration of 11-20% of gravity at a one-second vibrational period that has a 10% probability of being exceeded in 50 years. Many portions of California are subject to risks associated with seismic activity. The Community has been designed to current code requirements. However, any Property or other improvements within the Community are subject to damage and destruction during an earthquake and the Homes may be uninhabitable following an earthquake. Subdivider advises each buyer to consult with the City, County, other public agencies and appropriate experts to evaluate the potential risk of living in a Community that is located within a designated ground shaking zone.

If any disclosure, or any material amendment to any disclosure, required to be made by the Subdivider regarding this natural hazard is delivered after the execution of an offer to purchase, the purchaser shall have three days after delivery in person or five days after delivery by deposit in the mail to terminate the offer by delivery of a written notice of termination to the Subdivider or the Subdivider's agent.

If your Lot is located within one or more Statutory Natural Hazard Areas, your ability to further develop the real property, to obtain insurance, or to receive assistance after a disaster may be affected. You should therefore contact your lender and insurance carrier for more information regarding types of insurance and costs to cover your property. Additionally, since purchasers are not required to receive a separate disclosure for property owned by the Association, you should also contact the Association regarding any assessment increases due to additional insurance costs associated with the Statutory Natural Hazard Areas which may affect the Association maintained areas, if any.

Notice of Mining Operations. This property is located within one mile of a mine operation for which the mine owner or operator has reported mine location data to the Department of Conservation pursuant to Section 2207 of the California Public Resources Code. Accordingly, the property may be subject to inconveniences resulting from mining operations. You may wish to consider the impact of these practices before you complete your transaction.

Notice of Right to Farm: This property is located within one mile of a farm or ranch land designated on the current county-level GIS "Important Farmland Map," issued by the California Department of Conservation, Division of Land Resource Protection. Accordingly, the property may be subject to inconveniences or discomforts resulting from agricultural operations that are a normal and necessary aspect of living in a community with a strong rural character and a healthy agricultural sector. Customary agricultural practices in farm operations may include, but are not limited to, noise, odors, dust, light, insects, the operation of pumps and machinery, the storage and disposal of manure, bee pollination, and the ground or aerial application of fertilizers, pesticides, and herbicides. These agricultural practices may occur at any time during the 24-hour day. Individual sensitivities to those practices can vary from person to person. You may wish to consider the impacts of such agricultural practices before you complete your purchase. Please be advised that you may be barred from obtaining legal remedies against agricultural practices conducted in a manner consistent with proper and accepted customs and standards pursuant to Section 3482.5 of the California Civil Code or any pertinent local ordinance.

PURCHASERS SHOULD FAMILIARIZE THEMSELVES WITH THE SURROUNDING AREAS OF THE SUBDIVISION BEFORE SIGNING A CONTRACT.

TITLE

Preliminary Report: A preliminary report will be issued by the title insurer to reflect those items that affect the condition of title. You are encouraged to request a copy of this preliminary report for review of those items that affect the Lot you are purchasing. Those

items typically shown on a report include, but are not limited to, general and special taxes, easements, mechanic liens, monetary encumbrances, trust deeds, utilities, rights of way and CC&Rs. In most instances, copies of documents can be provided to you upon request.

Additionally, the preliminary report shows title, among other things, to be subject to the following:

- A public easement for fishing, swimming, or other recreational uses in and under the bed of Auburn Ravine and including a public right of access to the water. Affects: Areas referenced as OS1 on Tentative Subdivision Map Epick Three dated August 20, 2015 by Fray JI Design Group, Inc., consisting of Sheets 1 through 4.
- A document entitled “Declaration Imposing Transfer Fee Covenant for Esplanade at Turkey Creek” made by Subdivider and the Esplanade at Turkey Creek Foundation, Inc., a California nonprofit public benefit corporation (“Foundation”) recorded August 8, 2025 as Document No. 2025-0042577. (Applies to Phase 6A/B/C/D Map)
- A document entitled “Declaration Imposing Transfer Fee Covenant for Esplanade at Turkey Creek” made by Subdivider and the Esplanade at Turkey Creek Foundation, Inc., a California nonprofit public benefit corporation (“Foundation”) recorded April 10, 2023 as Document No. 2023-0018472. (Applies to Phase 5A/B/C Map)
- A document entitled “Payment of Transfer Fee Required Esplanade at Turkey Creek Foundation, Inc., Foundation Payment Declaration for Esplanade at Turkey Creek Transfer Fee” made by Subdivider and the Foundation recorded August 8, 2025 as Document No. 2025-0042611. (Applies to Phase 6A/B/C/D Map)
- A document entitled “Payment of Transfer Fee Required Esplanade at Turkey Creek Foundation, Inc., Foundation Payment Declaration for Esplanade at Turkey Creek Transfer Fee” made by Subdivider and the Foundation recorded April 11, 2023 as Document No. 2023-0018625. (Applies to Phase 5A/B/C Map)
- The “Road Easement, Use and Maintenance Agreement” between Subdivider and the Association recorded July 22, 2022 as Document No. 2022-0059389-00.
- The “Road Easement, Use and Maintenance Agreement” between Subdivider and the Association recorded May 10, 2023 as Document No. 2023-0024248-00.

- The “Lodge Use and Maintenance Agreement” between Subdivider and the Association recorded October 12, 2021 as Document No. 2021-0126444-00.
- The Road Easement, Use and Maintenance Agreement” between Subdivider and the Association recorded August 13, 2025 as Document No. 2025-0043285.
- The “Master Dispute Resolution Declaration for Esplanade at Turkey Creek” which governs certain disputes between the Association, owners and Subdivider recorded October 12, 2021 as Document No. 2021-0126446-00.
- The “Declaration of Annexation to Master Dispute Resolution Declaration for Esplanade at Turkey Creek” recorded August 8, 2025 as Document No. 2025-0042613.

Easements: Easements for utilities, rights-of-way, and other purposes are shown on the title report and Subdivision Map “Final Map No. 2025-076 Esplanade at Turkey Creek – Phases 6A, 6B, 6C & 6D” recorded June 25, 2025 in Book HH of Maps at Page 19, and “Final Map No. 2023-027 Esplanade at Turkey Creek – Phases 5A, 5B, & 5C” recorded February 24, 2023 in Book GG of Maps, at Page 51, in the Office of the Placer County Recorder.

Adjustments to the original subdivision map(s) may also be recorded. You may ask the Subdivider about such changes. If you purchase a Lot subject to said adjustment, this information will be included in your title policy.

TAXES

Regular Taxes: The maximum amount of any tax on real property that can be collected annually by counties is 1% of the full cash value of the property. With the addition of interest and redemption charges on any indebtedness, approved by voters prior to July 1, 1978, the total property tax rate in most counties is approximately 1.25% of the full cash value. In some counties, the total tax rate could be well above 1.25% of the full cash value. For example, an issue of general obligation bonds previously approved by the voters and sold by a county water district, a sanitation district or other such district could increase the tax rate.

Notice of Your ‘Supplemental’ Property Tax Bill

California property tax law requires the Assessor to revalue real property at the time the ownership of the property changes. Because of this law, you may receive one or two supplemental tax bills, depending on when your loan closes. The supplemental tax bills are not mailed to your lender. If you have arranged for your property tax payments to be paid through an impound account, the supplemental tax bills will not be paid by your lender. It is your responsibility to pay these supplemental bills directly to the Tax Collector. If you have any questions concerning this matter, please call your local Tax Collector’s Office.

Special Taxes & Assessments: The Community lies within the boundaries of the following Districts and is subject to any taxes, assessments and obligations thereof:

- Placer Mosquito and Vector Control
- Placer Mosquito and Vector Control – Measure H

The Community lies within the California Municipal Finance Authority Community Facilities District (“**CFD**”) No. 2021-13 (Esplanade at Turkey Creek) and is subject to any taxes, assessments and obligations thereof. The function of this district is to provide funding for infrastructure improvements including, but not limited to, transportation systems, wastewater systems, potable and non-potable water systems, and landscaping and open space improvements. The current Estimated Rate is \$1,820.70 Per Lot but is subject to change. The Subdivider must provide purchasers with a disclosure entitled, “Notice of Special Tax” prior to a purchaser entering into a contract to purchase. This Notice contains important information about district functions, purchaser's obligations, right of the District, and information on how to contact the District for additional materials. Purchasers should thoroughly understand the information contained in the Notice prior to entering into a contract to purchase. This special tax will appear on the yearly property tax bill and is in addition to the tax rate affecting the property described above in the section entitled “Regular Taxes.”

The Community lies within the City of Lincoln CFD No. 2018-1 – (City Maintenance Services), Tax Zone No. 13 and is subject to any taxes, assessments and obligations thereof. The function of this District is to provide funding for Citywide Services and Localized Services. Citywide Services include the annual operation, maintenance and servicing of regional parks, community parks, major roadway street lighting and traffic signals, major roadway landscaping, open space and stormwater improvements. Localized Services include the annual operation, maintenance and servicing of neighborhood parks, neighborhood landscaping, localized street maintenance, neighborhood street lighting and stormwater improvements. The 2023-2024 Maximum Special Tax Rate for Services is estimated to be \$839.42 per Lot. The Subdivider must provide purchasers with a disclosure entitled, “Notice of Special Tax” prior to a purchaser entering into a contract to purchase. This Notice contains important information about district functions, purchaser's obligations, right of the District, and information on how to contact the District for additional materials. Purchasers should thoroughly understand the information contained in the Notice prior to entering into a contract to purchase. This special tax will appear on the yearly property tax bill and is in addition to the tax rate affecting the property described above in the section entitled “Regular Taxes.”

The Community lies within the City of Lincoln CFD No. 2018-2 – (Public Services), Tax Zone No. 6 and is subject to any taxes, assessments and obligations thereof. The function of this District is to provide funding for police protection services, fire protection and suppression services. The 2023-2024 Estimated Maximum Special Tax Rate is estimated to be \$414.34. The Subdivider must provide purchasers with a disclosure entitled, “Notice of Special Tax” prior to a purchaser entering into a contract to purchase. This Notice contains important information about district functions, purchaser's

obligations, right of the District, and information on how to contact the District for additional materials. Purchasers should thoroughly understand the information contained in the Notice prior to entering into a contract to purchase. This special tax will appear on the yearly property tax bill and is in addition to the tax rate affecting the property described above in the section entitled "Regular Taxes."

The buyer has five days after delivery of these Notices by deposit in the mail, or three days after delivery of any notice in person, to terminate the Contract by giving written notice of that termination to the owner, Subdivider, or agent selling the property.

FINANCING

If your purchase involves financing, a form of deed of trust and note will be used. The provisions of these documents may vary depending upon the lender selected. These documents may contain the following provisions:

Acceleration Clause: This is a clause in a mortgage or deed of trust which provided that if the borrower (trustor) defaults in repaying the loan, the lender may declare the unpaid balance of the loan immediately due and payable.

Due-on-Sale Clause: If the loan instrument for financing your purchase of an interest in this subdivision includes a due-on-sale clause, the clause will be automatically enforceable by the lender when you sell the property. This means that the loan will not be assumable by a purchaser without the approval of the lender. If the lender does not declare the loan to be all due and payable on transfer of the property by you, the lender is nevertheless likely to insist upon modification of the terms of the instrument as a condition to permitting assumption by the purchaser. The lender will almost certainly insist upon an increase in the interest rate if the prevailing interest rate at the time of the proposed sale of the property is higher than the interest rate of your promissory note.

Balloon Payment: This means that your monthly payments are not large enough to pay off the loan, with interest, during the period for which the loan is written and that at the end period, you must pay the entire remaining balance in one payment. If you are unable to pay the balance and the remaining balance is a sizable one, you should be concerned with the possible difficulty in refinancing the balance. If you cannot refinance or sell your property, or pay off the balloon payment, you will lose your property.

Prepayment Penalty: This means that if you wish to pay off your loan in whole or in part before it is due, you must, in addition, pay a penalty.

Late Charge: This means that if you fail to make your installment payment on or before the due date or within a specified number of days after the due date, you, in addition, must pay a penalty.

Adjustable Rate Loan: The Subdivider may assist you in arranging financing from a federal or state regulated lender which will make loans that allow the interest rates to

change over the life of the loan. An interest rate increase ordinarily causes an increase in the monthly payment that you make to the lender. The lender will provide you with a disclosure form about the financing to assist you in the evaluation of your ability to make increased payments during the term of the loan. This disclosure form will be furnished to you at the time you receive your loan application and before you pay a nonrefundable fee.

BEFORE AGREEING TO ANY FINANCING PROGRAM OR SIGNING ANY LOAN DOCUMENTS, YOU SHOULD READ AND THOROUGHLY UNDERSTAND ALL THE PROVISIONS CONTAINED IN THE LOAN DOCUMENTS.

PURCHASE MONEY HANDLING

The Subdivider must impound all funds (Purchase Money) received from you in an escrow depository until legal title is delivered to you, except for such amount as the Subdivider has covered by furnishing a bond to the State of California [Refer to California Business & Professions Code Sections 11013, 11013.1, and 11013.4(a), and 11013.4(c).]

If the escrow has not closed on your Lot within twelve (12) months of the date of your Contract you may request the return of your Purchase Money deposit.

NOTE: Section 2995 of the California Civil Code provides that no real estate Subdivider shall require as a condition precedent to the transfer of real property containing a single-family residential dwelling that escrow services effectuating such transfer shall be provided by an escrow entity in which the Subdivider has a financial interest of 5% or more.

THE SUBDIVIDER HAS A FINANCIAL INTEREST IN THE ESCROW COMPANY (INSPIRED CALIFORNIA ESCROW SERVICES, INC.) WHICH IS TO BE USED IN CONNECTION WITH THE SALE OR LEASE OF LOTS IN THIS SUBDIVISION.

Inspired California Escrow Services: Purchaser is advised that the escrow holder for the purchase of Lots within the Subdivision will be Inspired California Escrow Services, Inc., a California corporation ("**Inspired Escrow**"). Inspired Escrow is an affiliate of the Subdivider and Subdivider has a financial interest of 5% or more in Inspired Escrow. However, Buyer is not required to utilize the services of Inspired Escrow for this transaction and Buyer may shop for and select an escrow holder of his/her choice, as set forth in the Contract.

SOILS AND GEOLOGIC CONDITIONS

Soils and geologic information is available at City of Lincoln, 600 Sixth Street, Lincoln, California 95648.

CALIFORNIA IS SUBJECT TO GEOLOGIC HAZARDS SUCH AS LANDSLIDES, FAULT MOVEMENTS, EARTHQUAKE SHAKING, RAPID EROSION, OR SUBSIDENCE. THE UNIFORM BUILDING CODE, APPENDIX CHAPTER 33, PROVIDES FOR LOCAL BUILDING

OFFICIALS TO EXERCISE PREVENTIVE MEASURES DURING GRADING TO ELIMINATE OR MINIMIZE DAMAGE FROM SUCH GEOLOGIC HAZARDS. THIS SUBDIVISION IS LOCATED IN AN AREA WHERE SOME OF THESE HAZARDS MAY EXIST. SOME CALIFORNIA COUNTIES AND CITIES HAVE ADOPTED ORDINANCES THAT MAY OR MAY NOT BE AS EFFECTIVE IN THE CONTROL OF GRADING AND SITE PREPARATION.

PURCHASERS MAY CONTACT THE SUBDIVIDER, THE SUBDIVIDER'S ENGINEER, THE ENGINEERING GEOLOGIST AND THE LOCAL BUILDING OFFICIALS TO DETERMINE IF THE ABOVE-MENTIONED HAZARDS HAVE BEEN CONSIDERED AND IF THERE HAS BEEN ADEQUATE COMPLIANCE WITH APPENDIX CHAPTER 33 OR AN EQUIVALENT OR MORE STRINGENT GRADING ORDINANCE DURING THE CONSTRUCTION OF THIS SUBDIVISION.

UTILITIES AND OTHER SERVICES

Streets and Roads: The repair and maintenance of the private roads in the Community will be in accordance with the Road Agreement.

THE SUBDIVIDER SHOULD PROVIDE YOU WITH A COPY OF THE ROAD AGREEMENT.

The private streets within the Community will be maintained by the Association. The costs of repair and maintenance of these private streets are included in the budget and are a part of your regular assessment.

Schools: This subdivision lies within the Western Placer Unified School District. This district advises the following:

"Due to overcrowding at many of our schools, the District reserves the right to change attendance boundaries and/or bus students from one school to another due to varying enrollment status."

Please contact the district for possible schools of attendance.

Western Placer Unified School District
600 6th Street, Suite 400
Lincoln, CA 95648
916-645-6350

The above school information was provided prior to the date of issuance of this Public Report and is subject to change. For the most current information regarding school assignments, facilities and bus service, purchasers are encouraged to contact the school districts.

SOLAR ENERGY PROGRAM

THE CALIFORNIA DEPARTMENT OF REAL ESTATE IS NOT RESPONSIBLE FOR APPROVING THE TERMS OR LANGUAGE IN THE DOCUMENTS RELATING TO THE SOLAR ENERGY PROGRAM DISCUSSED HEREIN.

PURCHASERS ARE ADVISED TO REVIEW AND THOROUGHLY INVESTIGATE ALL OF THE TERMS AND POSSIBLE OUTCOMES OF PURCHASING A HOME SERVED BY A SOLAR ENERGY SYSTEM, INCLUDING WITHOUT LIMITATION THE SOLAR ENERGY SYSTEM ADDENDUM AND THE SOLAR SYSTEM AGREEMENT, IF ANY, PRIOR TO ENTERING INTO A CONTRACT.

DESCRIPTION OF SOLAR ENERGY PROGRAM

THIS PHASE CONSISTS OF MULTIPLE RESIDENCES (EACH A “**RESIDENCE**”). EACH RESIDENCE IS SERVED BY A SEPARATE SOLAR PHOTO-VOLTAIC SYSTEM AND OTHER EQUIPMENT (EACH, A “**SYSTEM**”) THAT CONVERTS SOLAR ENERGY TO ELECTRICITY, INSTALLED ON THE ROOF OF EACH RESIDENCE. PURCHASER HAS THE OPTION TO: (I) PURCHASE THE SYSTEM FROM SUBDIVIDER OR; (II) ENTER INTO A LEASE OF THE SYSTEM OR AN AGREEMENT FOR THE PURCHASE OF THE POWER GENERATED BY THE SYSTEM WITH A THIRD PARTY SOLAR ENERGY SYSTEM PROVIDER (“**SOLAR COMPANY**”), NOT SUBDIVIDER. SUBDIVIDER IS NOT RELATED TO SOLAR COMPANY. IF YOU DO NOT ELECT TO PURCHASE A SYSTEM WITH THE PURCHASE OF YOUR RESIDENCE, YOU MUST ENTER INTO EITHER A LEASE FOR THE SYSTEM (“**LEASE**”) OR A LONG-TERM AGREEMENT FOR THE PURCHASE OF THE ELECTRICITY PRODUCED BY THE SYSTEM (“**PPA**”), AS DESCRIBED IN THE SOLAR ENERGY SYSTEM ADDENDUM THAT YOU WILL RECEIVE AS PART OF THE PURCHASE AGREEMENT FOR THE RESIDENCE (“**SOLAR ENERGY ADDENDUM**”). IN ADDITION TO THE OPTION TO PURCHASE THE SYSTEM, SUBDIVIDER MAY ELECT WHETHER A LEASE OR PPA OPTION IS OFFERED TO YOU, AND YOU MAY NOT HAVE BOTH THE OPTION TO ENTER INTO THE LEASE OR THE PPA. THE LEASE AND PPA ARE REFERRED TO COLLECTIVELY AS A “**SOLAR SYSTEM AGREEMENT**”.

SOLAR SYSTEM AGREEMENT

IN CONNECTION WITH THE PURCHASE OF THE RESIDENCE YOU WILL BE ASKED TO DECIDE WHETHER TO PURCHASE THE SYSTEM FROM SUBDIVIDER OR ENTER INTO A SOLAR SYSTEM AGREEMENT WITH THE SOLAR COMPANY. IF YOU ELECT TO ENTER INTO A SOLAR SYSTEM AGREEMENT, PRIOR TO THE CLOSE OF ESCROW, YOU WILL BE ASKED TO READ AND SIGN A SEPARATE SOLAR SYSTEM AGREEMENT BETWEEN YOU, AS THE BUYER AND HOMEOWNER, AND SOLAR COMPANY.

THE SOLAR SYSTEM AGREEMENT FOR EACH RESIDENCE IS FOR AN INITIAL TERM OF APPROXIMATELY 25 YEARS. UNLESS OTHERWISE TERMINATED UNDER THE TERMS OF THE SOLAR SYSTEM AGREEMENT, THE SOLAR SYSTEM AGREEMENT WILL AUTOMATICALLY RENEW FOR ADDITIONAL ONE-YEAR TERMS. DURING THE TERM OF THE SOLAR SYSTEM AGREEMENT, SOLAR COMPANY WILL OWN, MAINTAIN AND MONITOR THE SYSTEM. IF SOLAR COMPANY FAILS TO PERFORM ITS OBLIGATIONS UNDER THE SOLAR SYSTEM AGREEMENT YOU MAY TERMINATE THE SOLAR SYSTEM AGREEMENT, AFTER GIVING SOLAR COMPANY NOTICE AND AN OPPORTUNITY TO CURE ITS FAILURE. YOU ALSO HAVE THE OPTION TO PURCHASE THE SYSTEM FROM SOLAR COMPANY AT CERTAIN LIMITED TIMES AND SUBJECT TO CERTAIN CONDITIONS AND TERMS DURING THE TERM OF THE SOLAR SYSTEM AGREEMENT. SOLAR COMPANY ALSO HAS THE RIGHT TO TERMINATE THE SOLAR SYSTEM AGREEMENT AND SEEK OTHER REMEDIES IT MAY HAVE, INCLUDING THE PAYMENT OF AMOUNTS OWED AND FUTURE AMOUNTS THAT WOULD OTHERWISE BE PAID UNDER THE SOLAR SYSTEM AGREEMENT. **EXCEPT AS PROVIDED ABOVE, DURING THE 25-YEAR TERM OF**

THE SOLAR SYSTEM AGREEMENT, THE SOLAR SYSTEM AGREEMENT CANNOT BE TERMINATED BY YOU.

DURING THE TERM OF THE SOLAR SYSTEM AGREEMENT, YOU CANNOT ASSIGN, SELL, PLEDGE OR IN ANY OTHER WAY TRANSFER YOUR INTEREST IN THE SOLAR SYSTEM AGREEMENT WITHOUT SOLAR COMPANY'S PRIOR WRITTEN CONSENT, EXCEPT IN CONNECTION WITH A RE-SALE OF THE RESIDENCE AND SUBJECT TO THE REQUIREMENTS SET FORTH IN THE SOLAR SYSTEM AGREEMENT.

IF YOU RE-SELL THE RESIDENCE, YOU MAY TRANSFER THE RIGHTS AND OBLIGATIONS OF THE SOLAR SYSTEM AGREEMENT TO A PURCHASER WHO AGREES IN WRITING TO BE BOUND BY THE TERMS OF THE SOLAR SYSTEM AGREEMENT AND WHO MEETS SOLAR COMPANY'S CREDIT OR FINANCING REQUIREMENTS.

IF YOU DO NOT ELECT TO PURCHASE THE SYSTEM, YOU SHOULD READ THE SOLAR SYSTEM AGREEMENT CAREFULLY AND UNDERSTAND IT, BEFORE SIGNING IT. PURCHASERS SHOULD CONSULT WITH THEIR LEGAL ADVISOR FOR A BETTER UNDERSTANDING OF THE SOLAR SYSTEM AGREEMENT COMMITMENT.

SYSTEM PERFORMANCE. THE PERFORMANCE OF SYSTEMS WILL VARY DEPENDING ON A NUMBER OF FACTORS WHICH ARE UNIQUE TO EACH RESIDENCE AND EACH SYSTEM. SUBDIVIDER ASSUMES NO LIABILITY FOR THE PERFORMANCE OF THE SYSTEM, INCLUDING BUT NOT LIMITED TO THE SOLAR SYSTEM AGREEMENT, ANY ENERGY SAVINGS, TAX BENEFITS, CASH GRANTS, REBATES, MAINTENANCE OR SERVICE.

OTHER DOCUMENTS

IF YOU ENTER INTO A SOLAR SYSTEM AGREEMENT, THE SOLAR COMPANY MAY RECORD CERTAIN DOCUMENTS AGAINST YOUR RESIDENCE IN CONNECTION WITH THE SOLAR SYSTEM AGREEMENT AND SYSTEM, INCLUDING WITHOUT LIMITATION A UCC-1 FINANCING STATEMENT PROVIDING NOTICE OF SOLAR COMPANY'S OWNERSHIP OF THE SYSTEM'S COMPONENT PARTS LOCATED ON YOUR RESIDENCE.

CONTACTING THE DEPARTMENT OF REAL ESTATE

If you need clarification as to the statements in this Public Report or if you desire to make arrangements to review the documents submitted by the Subdivider which the Department of Real Estate used in preparing this Public Report you may contact:

Department of Real Estate
Subdivisions North
651 Bannon Street, Suite 506
Sacramento, CA 95811
(916) 576-3374