

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.: 181544LA-F00
ISSUED: MARCH 11, 2026
EXPIRES: MARCH 10, 2031

for Final Subdivision Public Report on

TRACT NO. 74490

“CITRUS OAK” (PHASE 2)

DEPARTMENT OF REAL ESTATE

by Cheng Wang

LOS ANGELES COUNTY, CALIFORNIA

CHENG WANG

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, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, veteran or military status, 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)

SPECIAL NOTES

THIS FINAL SUBDIVISION PUBLIC REPORT COVERS RESIDENTIAL LOTS (“LOTS”) 8 THROUGH 12, INCLUSIVE, AND LOTS 19 THROUGH 23, INCLUSIVE, OF TRACT NO. 74490, TOGETHER WITH COMMON AREA MAINTENANCE EASEMENTS, ALL OF WHICH CONSTITUTE ONLY PHASE 2 OF THE PROJECT.

CITRUS OAK (THE “PROJECT” OR “SUBDIVISION”) IS BEING DEVELOPMENT BY TAYLOR MORRISON OF CALIFORNIA, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY (THE “SUBDIVIDER”).

SPECIAL INTEREST AREAS IN THIS FINAL SUBDIVISION PUBLIC REPORT: YOUR ATTENTION IS ESPECIALLY DIRECTED TO THE PARAGRAPH(S) BELOW ENTITLED: USES AND ZONING, MANAGEMENT AND OPERATION, USES/ZONING/HAZARD DISCLOSURES AND SPECIAL TAXES AND ASSESSMENTS.

NOTE: IN ADDITION TO THOSE PARAGRAPHS NOTED ABOVE, 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 A RESIDENTIAL LOT IN THIS PHASE OF THE PROJECT.

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.

PRELIMINARY SUBDIVISION PUBLIC REPORT (“PRELIMINARY PUBLIC REPORT”): IF YOU HAVE RECEIVED A PRELIMINARY PUBLIC REPORT FOR THIS PROJECT, 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 THE PROJECT

Location:

This Project is located at 1237 Bonnie Cove Avenue within the City of Glendora, County of Los Angeles, California. Prospective purchasers should acquaint themselves with the kinds of city services available.

Type of Subdivision:

This Project is a common-interest development of the type referred to as a planned residential development. It includes common areas and common facilities which will be maintained by the Citrus Oak Community Association (the “**Association**”).

Citrus Oak, which if developed as currently planned, will consist of up to 30 detached single-family residences to be constructed on Tract No. 74490.

Interests to Be Conveyed:

You will receive fee title to a specified Residential Lot together with a membership in the Association and rights to use the common area.

About this phase:

This Public Report is for the **second (2nd)** phase which consists of approximately **1.383** acres on which **10 (ten)** Residential Lots in addition to Common Area maintenance easement areas consisting of landscaping, lighting and walls will be constructed. The estimated completion date of this phase is September 2026.

The estimated completion date for the Project is November 2026.

Sale of All Residences:

The Subdivider has indicated that it currently anticipates that it will sell all the Residential Lots in this Project; however, any owner, including the Subdivider, has a legal right to rent or lease the Residential Lots.

Subdivider and Purchaser Obligations:

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

NOTE: WHEN YOU SELL YOUR RESIDENTIAL LOT TO SOMEONE ELSE, YOU MUST GIVE THAT PERSON A COPY OF THE DECLARATION OF RESTRICTIONS, ARTICLES OF INCORPORATION, BYLAWS AND A TRUE STATEMENT CONCERNING ANY DELINQUENT ASSESSMENTS, PENALTIES, ATTORNEY’S FEES OR OTHER CHARGES, PROVIDED BY THE RESTRICTIONS OR OTHER MANAGEMENT DOCUMENTS ON THE RESIDENTIAL LOT AS OF 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 (CIVIL CODE SECTION 4540).

Completion of Common Area:

Future Common Area. The Subdivider has posted a bond acceptable to the Department of Real Estate to assure completion of the private streets located on Lot 31 of Tract No. 74490 described in the Planned Construction Statement attached to the bond. The estimated completion date for these improvements is November 2026.

The Subdivider has posted a bond acceptable to the Department of Real Estate to assure completion of the pocket park located on Lot 32 of Tract No. 74490 described in the Planned Construction Statement attached to the bond. The estimated completion date for this improvement is November 2026.

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

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 Project in accordance with the Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for Citrus Oak Homes, Tract No. 74490 ("**Declaration**"), the Articles of Incorporation ("**Articles**") and the Bylaws. In addition, the Association has the right to adopt rules and regulations and guidelines for the Project and which will include Project design/architectural guidelines which will set forth the guidelines and procedures for design/architectural review within the Project. There may also be supplementary declarations or notices of annexation ("**Supplementary Declarations**") which will be recorded against portions of the Project which may set forth additional restrictions and easements covering the areas covered by the Supplementary Declaration(s) (the Declaration, 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.

Initial Meeting: THE ASSOCIATION WILL BE FORMED PURSUANT TO THE TERMS AND PROVISIONS OF GOVERNING DOCUMENTS. SINCE THE COMMON AREA IMPROVEMENTS 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 RESIDENTIAL LOT UNDER THE FIRST PUBLIC REPORT FOR THE PROJECT (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 SECTION 5500 ET SEQ. OF THE CIVIL CODE.

The Declaration: This Project will be subject to the Declaration recorded **February 27, 2026** as Instrument No. **20260139751**, the Supplemental Declaration recorded **March 5, 2026** as Instrument No. **20260155465**, and the Declaration of Covenants, Conditions and Restrictions Establishing Solar Shading Restrictions recorded **March 2, 2026** as Instrument No. **20260142651**, all in the Office of the Los Angeles County Recorder. The Declaration contains provisions related to use and architectural restrictions, maintenance responsibilities and assessment obligations, etc.

Amendments to the original Declaration may also be recorded. You may ask the Subdivider about such changes. If you purchase a Residential Lot, this information will be included in your title policy.

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

Documents to be Furnished:

THE SUBDIVIDER STATED IT WILL FURNISH THE CURRENT BOARD OF OFFICERS OF THE ASSOCIATION AND EACH INDIVIDUAL PURCHASER WITH THE DEPARTMENT OF REAL ESTATE REVIEWED ASSOCIATION BUDGET FOR THIS PHASE.

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 BUSINESS AND PROFESSIONS CODE AND SECTION 4800 OF THE CIVIL CODE).

THE SUBDIVIDER SHALL MAKE A COPY OF THE ARTICLES, BYLAWS AND THE DECLARATION AVAILABLE FOR EXAMINATION BY A PROSPECTIVE BUYER BEFORE EXECUTION OF AN OFFER TO PURCHASE A RESIDENTIAL LOT. A COPY OF EACH MUST ALSO BE GIVEN TO EACH BUYER AS SOON AS PRACTICAL 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 RESIDENTIAL LOT (BUSINESS AND PROFESSIONS CODE SECTION 11018.6).

MAINTENANCE AND OPERATIONAL EXPENSES

Association to Levy Assessments. THE ASSOCIATION HAS THE RIGHT TO LEVY ASSESSMENTS AGAINST YOU FOR THE 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.

Association Proposed Budgets. The Subdivider has submitted budgets for the management, maintenance and operation of the Association's obligations and for long-term reserves when the Project is substantially completed (built-out budget) and interim budgets applicable to these phases.

These budgets were reviewed by the DRE in January 2026. You should obtain copies of the applicable budgets from the Subdivider.

Under the built-out budget, the monthly installment of assessments against each Residential Lot is currently estimated to be **\$229.50**. The Association may or may not elect to use this budget when additional phases are annexed. Under the interim budget for **Phase 2**, the monthly installment of assessments against each Residential Lot is currently estimated to be **\$211.74**. Of these amounts, the monthly contributions toward long-term reserves, which are not to be used to pay for current operating expenses, will be **\$50.37** (built-out) and **\$17.74** (interim).

YOU SHOULD BE AWARE THAT IF, AND WHEN ADDITIONAL PHASES ARE ANNEXED INTO THE SUBDIVISION, THE MONTHLY ASSESSMENTS AGAINST YOUR RESIDENTIAL LOT MAY INCREASE OR DECREASE DEPENDING UPON, AMONG OTHER THINGS, THE NUMBER OF RESIDENTIAL LOTS BEING ANNEXED IN SUCH SUBSEQUENT PHASES AND WHETHER ANY ADDITIONAL COMMON AREA AND/OR COMMON FACILITIES ARE ALSO BEING ANNEXED AS PART OF ANY SUCH PHASES.

According to the budget consultant, assessments under the interim Association budget should be sufficient for proper management, maintenance and operation of the Association's obligations until the Subdivision is substantially completed at which time it may be anticipated that assessments will be adjusted.

IF THE BUDGET FURNISHED TO YOU BY THE SUBDIVIDER SHOWS A MONTHLY ASSESSMENT FIGURE WHICH IS AT LEAST 20% MORE OR AT LEAST 10% LESS THAN THE ASSESSMENT SHOWN IN THE PUBLIC REPORT, YOU SHOULD CONTACT THE DRE BEFORE ENTERING INTO A CONTRACT TO PURCHASE THE PROPERTY.

NOTE: THE BUDGET INFORMATION INCLUDED IN THIS PUBLIC REPORT IS APPLICABLE AS OF THE DATE OF BUDGET REVIEW AS SHOWN ABOVE. EXPENSES OF OPERATIONS 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 RESIDENTIAL LOTS OR A SIGNIFICANT REDUCTION IN BUDGETED ASSOCIATION SERVICES. IF THE SUBDIVIDER BECOMES AWARE THAT DELINQUENT ASSESSMENTS HAVE CAUSED THE ASSOCIATION TO RECEIVE TEN PERCENT (10%) LESS INCOME FOR THE FISCAL YEAR THAN REFLECTED IN THE THEN CURRENT ASSOCIATION BUDGET, THE SUBDIVIDER SHALL USE REASONABLE EFFORTS TO NOTIFY THE DEPARTMENT OF REAL ESTATE IN WRITING (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 (BUSINESS AND 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 Section (b) of Civil Code Section 5300 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 PROJECT.

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.

Utility Rates: The utility rate used for the calculations within the above referenced budgets is based on information available at the time of the budget review dates. 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.

Assessment Increases/Decreases: The Association may increase or decrease assessments at any time in accordance with the procedure prescribed in the Governing Documents. In considering the advisability of a decrease (or a small 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 Residential Lots in this Phase on the first day of the month following the conveyance of the first Residential Lot in this phase of the Project. The Subdivider must pay assessments to the Association or all unsold Residential Lots in this phase of the project (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 Declaration. These remedies are available against the Subdivider as well as against all other owners.

Subdivider's Assessment Security: The Subdivider has posted a bond as partial security for its obligation to pay the 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 in this phase owed by the Subdivider before agreeing to a release or exoneration of the security.

Subsidy: The Subdivider has entered into a Subsidy Agreement ("**Agreement**") with the Association in order to temporarily reduce the amount of the Regular Assessments to be levied against Residential Lots in the Project until terminated. Under the terms of the Agreement, the Subdivider shall subsidize the payment of Regular Assessments by Lot Owners down to an amount of Two Hundred Twenty Nine and Fifty Cents (**\$229.50**) per Residential Lot per month for each of the Residential Lot during the term of the Agreement described below.

The term of the Agreement shall commence upon the first day of the month following the first close of escrow for the sale of a Residential Lot in DRE Phase 1, and shall expire upon the happening of either of the following events, whichever occurs first:

- (a) The date that is four (4) months after the date of the first Close of Escrow for the sale of a Residential Lot in DRE Phase 1 on which the Term of this Agreement has commenced; or
- (b) The date on which the first close of escrow in DRE Phase 3.

Extension of Term. The Subdivider may extend the Term in six (6) month increments.

Each purchaser should be aware that, upon expiration of the Term of the Subsidy Agreement, the amount of the monthly assessment to be paid by the purchaser will increase to the full amount assessable against each Residential Lot under the then current reviewed budget for the Association.

The Subdivider has posted a bond as security for its obligation to pay the subsidized 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 the subsidized assessments before agreeing to a release or exoneration of the security.

Private Street Maintenance and Reserve Agreement: The Subdivider has entered into a Private Street Maintenance and Reserve Agreement (“**Agreement**”) with the Association. Under the current plan of annexation for the Project, Residential Lots in the Project will close escrow before the conveyance of the Private Street described in the Agreement to the Association. Accordingly, Subdivider and the Association desire to enter into the Agreement: (1) to provide for interim access easements over the Private Streets for the Residential Lots in the initial phases of the Project; (2) to evidence the Subdivider’s agreement to maintain the Private Streets before fee conveyance to the Association; (3) to evidence the Subdivider’s agreement to convey the Private Streets in fee to the Association in accordance with the development and phasing plan for the Project; (4) to establish the conditions for exercise of the Association’s right to perform certain remedial maintenance for the Private Streets while subject to the Easements; and (5) to evidence the Subdivider’s agreement to contribute accrued reserves for the Private Streets when they are conveyed to the Association in certain circumstances. A Private Street Access and Maintenance Easement Deed recorded **March 2, 2026** as Instrument No. **20260142652** in the Office of the Los Angeles County Recorder.

SOLAR ENERGY SYSTEM. HOMES COVERED BY THIS PUBLIC REPORT WILL HAVE A ROOF-TOP SOLAR ARRAY AND OTHER EQUIPMENT THAT CONVERTS SOLAR ENERGY TO HOUSEHOLD ELECTRICITY (EACH A “**SYSTEM**”). YOU MUST EITHER (1) PURCHASE THE SYSTEM FOR A COST THAT IS ADDED TO THE PRICE OF THE HOME, OR (2) ENTER INTO A LEASE OR POWER PURCHASE AGREEMENT (“**PPA**”) AND MAKE MONTHLY PAYMENTS TO A SOLAR PROVIDER FOR THE PURCHASE OF ALL OF THE ELECTRICITY GENERATED BY THE SYSTEM. YOU SHOULD CAREFULLY REVIEW AND FULLY UNDERSTAND THE TERMS OF THE SOLAR PROGRAM OFFERED.

THE CALIFORNIA DEPARTMENT OF REAL ESTATE HAS NOT APPROVED OR REVIEWED DOCUMENTS RELATED TO THE SYSTEM OR THE SOLAR PROGRAM OFFERED. YOU ARE ADVISED TO THOROUGHLY REVIEW ALL DOCUMENTS AND INVESTIGATE ALL POSSIBLE OUTCOMES OF ANY SOLAR PROGRAM OFFERED, PRIOR TO SIGNING A

PURCHASE AGREEMENT. YOU MAY WANT TO SEEK INDEPENDENT LEGAL COUNSEL TO ASSIST WITH YOUR REVIEW AND INVESTIGATION.

EXAMPLES OF SOME KEY SOLAR PROGRAM TERMS THAT YOU SHOULD KNOW AND UNDERSTAND ARE: (1) IF THERE ARE ANY UP-FRONT AND RECURRING SYSTEM COSTS; (2) IF YOU HAVE SYSTEM MAINTENANCE RESPONSIBILITIES; (3) IF THERE IS A WARRANTY AND WHAT IT COVERS; (4) IF THERE ARE REQUIREMENTS AND IMPACTS OF RE-SELLING YOUR HOME WITH THE SYSTEM; (5) IF YOU ARE RESPONSIBLE FOR REMOVING THE SYSTEM FOR ROOF REPAIRS AND (IF APPLICABLE) AT THE END OF YOUR PPA; AND (6) IF YOU DON'T OWN THE SYSTEM, CAN YOU LATER PURCHASE THE SYSTEM AND AT WHAT COST?

ADDITIONAL INFORMATION ABOUT SOLAR ENERGY SYSTEMS FOR NEW HOMES CAN BE OBTAINED FROM A NUMBER OF RESOURCES, INCLUDING BUT NOT LIMITED TO THE CALIFORNIA ENERGY COMMISSION WEBSITE AND THE CALIFORNIA PUBLIC UTILITIES COMMISSION WEBSITE. SEE [Solar Equipment Lists Program](#) | [California Energy Commission](#) and [California Solar Consumer Protection Guide](#).

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 Project and all existing, proposed or possible future uses adjacent to or in the vicinity of the Project. At the time this Public Report was issued, some of the land uses that surround the Project, include, but are not limited to, the following:

Zoning

North: Freeway
South: Residential
East: Residential/Agricultural
West: Residential

Uses and Hazards

The Subdivider advises that the following **uses** exist within or near this Project:

- Bonnie Cove Trails is located less than 1 mile north of the Project;
- Los Angeles County Fire Station 85 is located less than 1 mile southwest of the Project;
- Gladstone Park is located less than 1 mile southeast of the Project;
- Glendora Marketplace Shopping Center is located approximately 1.13 miles east of the Project;
- Interstate 210 Freeway is located adjacent to the Project to the north;
- Arrow Highway is located approximately 1 mile south of the Project;
- San Dimas Wash is located less than 1 mile south of the Project.

Natural Hazards.

Area of Potential Flooding. The Subdivider has advised that all or portions of the Project subject to this Public Report are located within an *Area of Potential Flooding* as shown on an inundation map. Additionally, the Subdivider has advised that prospective purchasers within this Area will be provided a separate disclosure required under Government Code Section 8589.4.

Very High Fire Hazard Severity Zone. The Subdivider has advised that all or portions of the Project subject to this Public Report are located within a *Very High Fire Hazard Severity Zone* in a local responsibility area. Additionally, the Subdivider has advised that prospective purchasers within any of the foregoing Zones may be provided a separate disclosure as required under Government Code Section 51183.5 or any other applicable state law.

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.

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 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.

You should review the Individual Natural Hazard Disclosure Report for additional information regarding the fire hazard severity zone designations. In addition to the disclosures set forth in the Individual Natural Hazard Disclosure Report, you are advised that property located within a fire hazard severity zone may be subject to additional requirements which may include, without limitation, requirements such as the following: (i) additional construction requirements which you would be required to comply with in the event you make modifications to the home; (ii) requirements relating to landscape installation and defensible space; (iii) additional maintenance requirements such as adequate vegetation clearance and other fire-safety practices; and (iv) additional disclosure and compliance documentation requirements when you re-sell the home; all as applicable. You should contact the local fire authority for more detailed information and you are also encouraged to review information on the Cal Fire website: <https://www.fire.ca.gov>. Both state and local agencies impose fire-related requirements and you will be required to comply with all such requirements as they may be updated from time to time as best practices evolve. In addition to the foregoing, you are advised that maps are updated periodically, and Subdivider makes no representations, guarantees or warranties with respect to any future fire hazard severity zone designations.

Right to Farm. This Project 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, as a buyer of a residence in the Project, you 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 during any 24-hour period. 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 Civil Code or any pertinent local ordinance.

Energy Efficiency Standards and Duct Sealing Requirements. The Natural Hazards Disclosure Statement indicates that the Project is located in a designated climate zone in which properties are subject to duct sealing and testing requirements set forth by the California Energy Commission. Please refer to the Natural Hazard Disclosure Statement for more information.

Commercial/Industrial Zone Disclosure. California Code of Civil Procedure Section 731a currently provides that, except in an action to abate a public nuisance brought in the name of the people of the State of California, no Person shall be enjoined or restrained by the injunctive process from the reasonable and necessary operation in any industrial or commercial zone or airport of any use expressly permitted therein, nor shall such use be deemed a nuisance without evidence of the employment of unnecessary and injurious methods of operation, provided any city, city and county, or county shall have established zones or districts under authority of law wherein certain manufacturing or commercial or airport uses are expressly permitted. Accordingly, Subdivider discloses that according to the Natural Hazard Disclosure Statement, the Subdivision is located within one mile of a property that is zoned by the County to allow commercial or industrial use.

If your Residential 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.

THIS IS NOT A COMPLETE LIST OF THE DISCLOSURES OR HAZARDS RELEVANT TO THIS PHASE OR THE PROJECT. SUBDIVIDER WILL PROVIDE YOU WITH ADDITIONAL DISCLOSURES THAT YOU ARE ADVISED TO REVIEW AND CONDUCT YOUR OWN INVESTIGATION OF ALL THOSE MATTERS OF INTEREST TO YOU PRIOR TO ENTERING INTO AN AGREEMENT TO PURCHASE A RESIDENTIAL LOT IN THIS PHASE OF THE SUBDIVISION.

PURCHASERS SHOULD FAMILIARIZE THEMSELVES WITH THE SURROUNDING AREAS OF THE PROJECT BEFORE SIGNING A PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS.

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 Residential Lot you are purchasing. Those items typically shown on a report include, but are not limited to, general and special taxes, easements, mechanics liens, monetary encumbrances, trust deeds, utilities, rights of way and Declaration. In most instances, copies of documents can be provided to you upon request.

Easements: Easements for utilities and other purposes are shown on the title report and Subdivision **Tract Map No. 74490**, as per map recorded in **Book 1450, Pages 27 to 29**, inclusive of Maps, in the Office of the Los Angeles County Recorder.

Amendments to the original subdivision map may also be recorded. You may ask the Subdivider about such changes. If you purchase a Residential Lot, this information should be included in your title policy.

Mineral Rights: YOU WILL NOT OWN THE MINERAL, OIL AND GAS RIGHTS UNDER YOUR LAND. THE RIGHT TO SURFACE ENTRY TO EXTRACT MINERALS HAS NOT BEEN WAIVED BY THE OWNER OF THESE RIGHTS. UNLESS OTHERWISE RESTRICTED, THE OWNER OF MINERAL, OIL AND GAS RIGHTS IS ENTITLED TO ENTER YOUR LAND TO PENETRATE THE SURFACE TO EXTRACT SUBSURFACE MINERALS. BECAUSE OF THE LOCATION OF THE SUBDIVISION, LOCAL ZONING OR OTHER LAWS OR REGULATIONS MAY PROHIBIT THE OWNER FROM DOING THIS. FOR FURTHER PARTICULARS, YOU SHOULD CONTACT THE BUILDING DEPARTMENT OF THE CITY OR COUNTY IN WHICH YOUR PROPERTY IS LOCATED. WHEN YOU PURCHASE, YOU CAN REQUEST A "HOMEOWNERS ENDORSEMENT" TO YOUR POLICY OF TITLE INSURANCE WHICH WILL INSURE AGAINST LOSS UP TO THE AMOUNT OF THE POLICY, FOR DAMAGE TO ANY

OWNER-OCCUPIED RESIDENTIAL STRUCTURE THEN ON THE LAND, WHICH DAMAGE RESULTS FORM THE EXERCISE OF SURFACE ENTRY RIGHTS.

TAXES

Regular Taxes: The maximum amount of any tax on real property that can be collected annually by counties is one percent (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 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.

For the purchaser of a Residential Lot in this Project, the full cash value of the Residential Lot will be the valuation as reflected on the tax roll, determined by the county assessor as of the date of purchase of the Residential Lot, or as of the date of completion of an improvement on the Residential Lot, if that occurs after the date of purchase.

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:

City of Glendora Streetlight Maintenance District No. 1. This Project lies within the boundaries of the City of Glendora Streetlight Maintenance District No. 1 and is subject to any taxes, assessments and obligations thereof. This District was formed to provide maintenance of street lighting, safety lighting and traffic signals. The District budget for each fiscal year will be based upon the actual costs provided for in the awarded contract for these services. This means assessments can fluctuate from year to year as contracts expire. As of the date of the Public Report, it is anticipated the projected 2025-2026 assessment for each Residential Lot within this Project will be \$50.63. The administration of this District will be provided by the City of Glendora Public Works/Willdan Financial Services.

Los Angeles County Flood Control District. This Project lies within the boundaries of the Los Angeles County Flood Control District and is subject to any taxes, assessments and obligations thereof. This District was formed to provide flood protection, water conservation, recreation and aesthetic enhancement within its boundaries. The District budget for each fiscal year will be based upon the actual costs provided for in the awarded contract for these services. This means assessments can fluctuate from year to year as contracts expire. As of the date of the Public Report, it is anticipated the projected 2025-2026 assessment for each Residential Lot within this Project will be \$25.00. The administration of this District will be provided by the Los Angeles County Public Works.

Los Angeles County Consolidated Sewer Maintenance District. This Project lies within the boundaries of the Los Angeles County Consolidated Sewer Maintenance District and is subject to any taxes, assessments and obligations thereof. This District was formed to pay for sewer maintenance services within the County. The District budget for each fiscal year will be based upon the actual costs provided for in the awarded contract for these services. This means assessments can fluctuate from year to year as contracts expire. As of the date of the Public Report, it is anticipated the projected 2025-2026 assessment for each Residential Lot within this Project will be \$64.50. The administration of this District will be provided by the Los Angeles County Public Works.

Los Angeles County Sanitation District No. 22. This Project lies within the boundaries of the Los Angeles County Sanitation District No. 22 and is subject to any taxes, assessments and obligations thereof. This District was formed to provide solid waste and water treatment services. The District budget for each fiscal year will be based upon the actual costs provided for in the awarded contract for these services. This means assessments can fluctuate from year to year as contracts expire. As of the date of the Public Report, it is anticipated that the projected 2025-2026 assessment for each Residential Lot within this Project will be \$186.00. The administration of this District will be provided by the Los Angeles County Sanitation Board of Directors.

Los Angeles County Department of Public Works – Safe Clean Water Program (Measure W). This Project lies within the boundaries of the Los Angeles County Department of Public Works – Safe Clean Water Program (Measure W) Flood Control District and is subject to any taxes, assessments and obligations thereof. This District was formed to pay for projects, infrastructure, and programs to capture, treat and recycle rainwater. The District budget for each fiscal year will be based upon the actual costs provided for in the awarded contract for these services. This means assessments can fluctuate from year to year as contracts expire. As of the date of the Public Report, it is anticipated the projected 2025-2026 assessment rate = $\$0.025 \times \text{Impermeable area}$ (area covered by material or constructed surfaces such as buildings, driveways, concrete, pools and other hardscape areas). Estimated rate is \$75.00 for a property with 3,000 square feet of impermeable area. The administration of this District will be provided by the Los Angeles County Public Works.

Metropolitan Water District of Southern California. This Project lies within the boundaries of the Metropolitan Water District of Southern California and is subject to any taxes, assessments and obligations thereof. This District was formed to pay for water standby charges for access to water supply and services. The District budget for each fiscal year will be based upon the actual costs provided for in the awarded contract for these services. This means assessments can fluctuate from year to year as contracts expire. As of the date of the Public Report, it is anticipated the projected 2025-2026 assessment for each Residential Lot within this Project will be \$12.20. The administration of this District will be provided by the Willdan Financial Services.

San Gabriel Valley Mosquito and Vector Control District. This Project lies within the boundaries of the San Gabriel Valley Mosquito and Vector Control District and is subject to any taxes, assessments and obligations thereof. This District was formed to provide mosquito and general vector control pursuant to California Health and Safety and California Government Codes. The District budget for each fiscal year will be based upon the actual costs provided for in the awarded contract for these services. This means assessments can fluctuate from year to year as contracts expire. As of the date of the Public Report, it is anticipated that the projected 2025-2026 assessment for each Residential Lot within this Project will be \$20.00. The administration of this District will be provided by the San Gabriel Valley Mosquito and Vector Control District/SCI Consulting Group.

Three Valleys Municipal Water District. This Project lies within the boundaries of the Three Valleys Municipal Water District and is subject to any taxes, assessments and obligations thereof. This District was formed to pay for water standby charges for access to water supply and services. The District budget for each fiscal year will be based upon the actual costs provided for in the awarded contract for these services. This means assessments can fluctuate from year to year as contracts expire. As of the date of the Public Report, it is anticipated the projected 2025-2026 assessment for each Residential Lot within this Project will be \$29.41. The administration of this District will be provided by Harris & Associates.

Los Angeles County Trauma, Emergency and Bioterrorism Response Assessment. This Project lies within the boundaries of the Los Angeles County Trauma, Emergency and Bioterrorism Response Assessment and is subject to any taxes, assessments and obligations thereof. This District was formed to provide funding for the Countywide System of Trauma Centers, Emergency Medical Services and Bioterrorism Response. The District budget for each fiscal year will be based upon the actual costs provided for in the awarded contract for these services. This means assessments can fluctuate from year to year as contracts expire. As of the date of the Public Report, it is anticipated that the projected 2025-2026 assessment for each Residential Lot within this Project will be \$0.063 per residential building square footage. The administration of this District will be provided by the Los Angeles County Department of Health Services.

Los Angeles County Fire Department. This Project lies within the boundaries of the Los Angeles County Fire Department and is subject to any taxes, assessments and obligations thereof. This District was formed to pay for essential fire suppression and emergency medical services. The District budget for each fiscal year will be based upon the actual costs provided for in the awarded contract for these services. This means assessments can fluctuate from year to year as contracts expire. As of the date of the Public Report, it is anticipated the projected 2025-2026 assessment for each Residential Lot within this Project will be \$78.18. The administration of this District will be provided by the Los Angeles County Fire Department.

Los Angeles County Regional Park and Open Space District Measure A. This Project lies within the boundaries of the Los Angeles County Regional Park and Open Space District Measure A and is subject to any taxes, assessments and obligations thereof. This District was formed to finance projects protecting, developing, enhancing, and preserving parks, play areas, beaches, open space lands, natural areas, waterways, water resources, and equestrian facilities, promoting health and encouraging community use including for seniors and youth, investing in areas with high-needs for parks, developing and improving local and regional recreational facilities, maintaining and improving park safety, healthiness, and accessibility, and providing and facilitating safe places to play, afterschool programs, career development, job training, educational and cultural resources. The District budget for each fiscal year will be based upon the actual costs provided for in the awarded contract for these services. This means assessments can fluctuate from year to year as contracts expire. As of the date of the Public Report, it is anticipated that the projected 2025-2026 assessment for each Residential Lot within this Project will be \$0.0191 per square foot of building area. The assessment rate may increase annually by the Western Urban CPI. Tax Assessment will be levied in perpetuity. The administration of this District will be provided by the Los Angeles County Regional Park and Open Space District.

Consolidated Fire Protection District of Los Angeles County Emergency Response and Infrastructure Measure E. This Project lies within the boundaries of the Consolidated Fire Protection District of Los Angeles County Emergency Response and Infrastructure Measure E and is subject to

any taxes, assessments and obligations thereof. This District was formed to enable the District to replace, upgrade, and maintain communications and information technology systems, including but not limited to, technologies to dispatch 911 calls from cell phones for faster responses; add, replace, and maintain fire engines and water-dropping helicopters; add life-saving rescue tools, including but not limited to, jaws of life and thermal imaging cameras to rescue people from fires; improve fire protection in wildfire zones; and to hire and to train additional firefighters and paramedics to meet national staffing standards. The District budget for each fiscal year will be based upon the actual costs provided for in the awarded contract for these services. This means assessments can fluctuate from year to year as contracts expire. As of the date of the Public Report, it is anticipated the projected 2025-2026 assessment for each Residential Lot within this Project will be \$0.06 per square foot of structural improvements, excluding the square footage of improvements used for parking. The rate will increase annually by the lesser of the Consumer Price Index or 2%. The administration of this District will be provided by the Los Angeles County Fire Department.

FINANCING

Pursuant to Civil Code Section 2956 through 2967, inclusive, Subdivider and purchasers must make certain written disclosures regarding financing terms and related information. The Subdivider will advise purchasers of disclosures needed from them, if any.

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 the repaying of 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 a Residential Lot in this Project 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.

A 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 of the loan 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.

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

A 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: If you obtain financing from a federal or state regulated lender, the financing terms of the loan may 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 should 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 should 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 Business and Professions Code Sections 11013, 11013.1 and 11013.4(a)].

If the escrow has not closed on your Residential Lot within one (1) year of the date of your Agreement for Purchase and Sale and Joint Escrow Instructions, you may request the return of your purchase money deposit.

Note: Section 2995 of the 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 WHICH IS TO BE USED IN CONNECTION WITH THE SALE OR LEASE OF RESIDENTIAL LOTS IN THIS PHASE OF THE PROJECT.

SOILS AND GEOLOGIC CONDITIONS

Soils filled ground and geologic information are available at: City of Glendora, 116 E. Foothill Boulevard, Glendora, California 91741. All Residential Lots will contain filled ground.

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 PROJECT 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 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 PROJECT.

Streets and Roads: The private streets within this Project 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 Project lies within the Charter Oaks Unified School District, 20240 E. Cienega Avenue, Covina, CA 91724, Telephone (626) 966-8331. The district advises the schools initially available to this Project are:

Willow Elementary School (Grades K-6)
1427 Willow Avenue
Glendora, CA 91740
(626) 914-5839

Royal Oak Middle School (Grades 7-8)
303 S. Glendora Avenue
Covina, CA 91724
(626) 967-6354

Charter Oak High School (Grades 9-12)
1430 E. Covina Boulevard
Covina, CA 91724
(626) 915-5841

Oak Knoll Virtual Academy (Grades K-12)
1505 S. Sunflower Avenue
Glendora, CA 91740
(626) 914-3961

For the most current information regarding school assignments, facilities and bus service, purchasers are encouraged to contact the school district.

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 Real Estate
Subdivisions South
320 West 4th Street, Suite 350
Los Angeles, CA 90013-1105
(213) 270-9965**

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]

[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]