

BUDGET CHANGE ADDENDUM

RE 618H (Rev. 9/19)

SUBDIVISIONS

ADDENDUM TO:

PUBLIC REPORT NUMBER

☒ FINAL PUBLIC REPORT ☐ AMENDED PUBLIC REPORT ☐ CONDITIONAL PUBLIC REPORT

173705LA-F00

NAME OF SUBDIVIDER

Taylor Morrison of California, LLC, a California limited liability company

NAME OF SUBDIVISION

Harper at Bedord, Phase 7

BUDGET CHANGE ADDENDUM

Assessment Program: ☐ Equal Assessments ☐ Variable Assessments ☒ Range of Assessments ☐ Incremental ☐ Level

The budget information contained in the Maintenance and Operational Expenses section of the attached Final, Amended, or Conditional Public Report states that monthly assessments are ☐ \$ _____ per lot/unit per month; ☒ ranges from \$ 215.00 to \$ \$235.75 per lot/unit per month.

The Subdivider has:

The homeowners association has:

☒ proposed a budget change

☐ proposed a budget change

☐ adopted a budget change

that would

☐ increase the assessment by 20% or more to \$ _____ per lot/unit per month.

☐ decrease the assessment by more than 10% to \$ _____ per lot/unit per month.

☒ increase the high end of the assessment range or decrease the low end of the assessment range from \$ 239.00 to \$ 278.00 per unit/lot per month.

☐ differ from the Incremental or Level assessment amount to be \$ _____ per lot/unit per month.

(FOR FINAL OR AMENDED PUBLIC REPORTS ONLY)

On 7-25-24 ("Application Date") the Subdivider applied for an Amended Public Report with the Department of Real Estate ("DRE") to include the Subdivider's proposed or homeowners association's proposed/adopted budget ("New Amended Public Report").

OR

(FOR CONDITIONAL PUBLIC REPORTS ONLY)

On _____ ("Application Date") the Subdivider submitted new information to the Department of Real Estate ("DRE") in connection with its application for a Final Public Report regarding the Subdivider's proposed or homeowners association's proposed/adopted budget.

When a copy of this Budget Change Addendum has been signed and attached to the current Final, Amended, or Conditional Public Report, the Subdivider can continue to enter into binding contracts with purchasers for the sales of lots/units in this subdivision.

Subdivider agrees no escrow for the sale of any lot/unit sold utilizing this Budget Change Addendum, when it is attached to a Final, Amended, or Conditional Public Report, can close until the New Amended Public Report or Final Public Report is issued and the purchaser has been given a copy of the New Amended Public Report or Final Public Report that shows the accepted and revised budget and assessment information for this subdivision.

Continued on Page 2

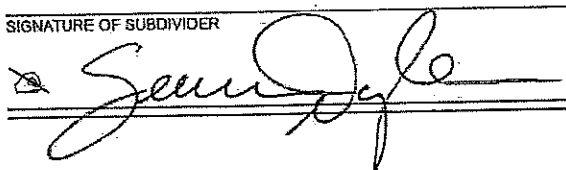
The Subdivider agrees it shall also provide a copy of this signed Budget Change Addendum to all purchasers currently in escrow.

AS PART OF THE APPLICATION FOR THE NEW AMENDED PUBLIC REPORT OR FINAL PUBLIC REPORT, SUBDIVIDER AGREES TO PROVIDE THE DRE FOR ITS REVIEW AND ACCEPTANCE AN ADDENDUM TO THE ESCROW INSTRUCTIONS/PURCHASE AGREEMENT FOR EACH PURCHASER WHO PURCHASED A LOT/UNIT UTILIZING THIS ADDENDUM THAT SETS FORTH THE FOLLOWING PROVISIONS:

1. Subdivider has submitted an application for either an Amended Public Report or a Final Public Report along with a Budget Change Addendum form (RE 618H) to the Department of Real Estate ("DRE") together with revised budget documents, for review of either the Subdivider's proposed or the homeowners association's proposed/adopted changes to the homeowners association's budget and the homeowners' monthly assessments. The dollar amounts of the proposed or adopted changes are set forth in the Budget Change Addendum.
2. The Budget Change Addendum shall be attached to the front of the current Final, Amended, or Conditional Public Report issued by the DRE and utilized until either the new Amended Public Report or Final Public Report with the revised monthly assessment amounts as set forth in the Budget Change Addendum has been issued.
3. In the case of the purchaser signing a contract under the authority of a current Final or Amended Public Report, if the new Amended Public Report is not issued within 90 days from the date of the Subdivider's Application Date as set forth in the Budget Change Addendum, then the purchaser may, upon purchaser's sole election, cancel the escrow whereupon all purchase money shall be refunded to the purchaser.
4. In the case of the purchaser signing a contract under the authority of a current Conditional Public Report, if the Final Public Report is not issued during the term of such Conditional Public Report (or as extended for an additional six (6) month period), or if the purchaser is dissatisfied with the Final Public Report because of a change pursuant to California Business and Professions Code section 11012 (i.e., a material change in this subdivision's offering), then the purchaser may, upon purchaser's sole election, cancel the escrow whereupon all purchase money shall be refunded to the purchaser. (California Business and Professions Code section 11018.12(e)(3))
5. If the budget and monthly assessment amounts accepted by the DRE, as set forth in the New Amended Public Report or Final Public Report, exceed the proposed or adopted amounts set forth in the Budget Change Addendum, then each purchaser who purchased a lot/unit utilizing the Budget Change Addendum may, upon purchaser's sole election, cancel the escrow whereupon all purchase money shall be refunded to the purchaser.

The Subdivider, by signing this Budget Change Addendum and attaching it to the current Final, Amended, or Conditional Public Report issued by the DRE, acknowledges that all of the statements contained in this Budget Change Addendum constitute material representations to purchasers from Subdivider, and that the purchasers may fully rely thereon. By signing this Budget Change Addendum, the Subdivider also represents that there are no other material changes in this subdivision's offering or to the current Final, Amended, or Conditional Public Report to which this Budget Change Addendum is attached other than those as stated in this Budget Change Addendum.

SIGNATURE OF SUBDIVIDER



DATE

7/16/24

*Department of Real Estate
of the
State of California*

**FINAL SUBDIVISION PUBLIC REPORT
CONDOMINIUM**

In the matter of the application of

TAYLOR MORRISON OF CALIFORNIA, LLC,
A California limited liability company

FILE NO.: 173705LA-F00

ISSUED: AUGUST 15, 2023

EXPIRES: AUGUST 14, 2028

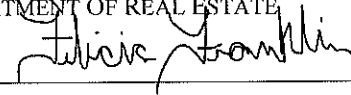
for a Final Subdivision Public Report on

TRACT NO. 37644

“HARPER AT BEDFORD” (PHASE 7)

DEPARTMENT OF REAL ESTATE

by



RIVERSIDE COUNTY, CALIFORNIA

Felicia Franklin

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 REPORT COVERS ONLY RESIDENTIAL UNITS 1 THROUGH 5, INCLUSIVE, LOTS 51 THROUGH 52, INCLUSIVE, AND LOTS 82 THROUGH 83, INCLUSIVE, LOCATED ON A PORTION OF LOTS 1, 8 AND 10 OF TRACT NO. 37644, AND CERTAIN "COMMON AREA", "MASTER ASSOCIATION PROPERTY", AND "MASTER ASSOCIATION MAINTENANCE AREAS" WHICH COVERS ONLY PHASE SEVEN (7) OF HARPER ("SUBDIVISION" OR "NEIGHBORHOOD").

HARPER IS BEING DEVELOPED BY TAYLOR MORRISON OF CALIFORNIA, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY ("SUBDIVIDER" OR "MERCHANT BUILDER").

SPECIAL INTEREST AREAS IN THIS FINAL SUBDIVISION REPORT: YOUR ATTENTION IS ESPECIALLY DIRECTED TO THE PARAGRAPH(S) BELOW ENTITLED: MANAGEMENT AND OPERATIONAL EXPENSES, LAND USES AND HAZARDS, TAXES AND ASSESSMENTS.

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.

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 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 Hudson House Drive and Parson Brown Drive within the city limits of Corona, County of Riverside. Prospective purchasers should acquaint themselves with the kinds of city services available.

Type of Subdivision:

This Subdivision is a common-interest development of the type referred to as a condominium. It is operated by the Bedford Master Association ("**Master Association**") which is an incorporated owners association.

The Neighborhood. Harper at Bedford is a detached condominium community ("**Neighborhood**"). The Neighborhood is a common interest development of the type referred to as a condominium and is being developed by the Subdivider as part of that certain residential master planned community commonly known as "Bedford". Bedford is operated by the Bedford Master Association ("**Master Association**") which is an incorporated owners association. There is no assurance that the Neighborhood or the overall master planned community will be developed or completed as proposed, and the Subdivider and/or the Master Developer reserves the right to modify its development plan for the Neighborhood and the overall Community, including but not limited to changing product types or increasing or decreasing the number of dwelling units, subject to applicable governmental approvals.

Bedford Master Planned Community. Bedford is a master planned community (referred to herein as "**Bedford**" or "**Community**") developed by Arantine Hills Holdings, L.P., a Delaware limited partnership ("**Master Developer**").

The Community is generally bounded by the Eagle Glen Specific Plan development (a residential and golf course community) to the north and west, by unincorporated County land and a series of large, scattered lots and privately owned agricultural land to the south and by Interstate 15 Freeway ("**I-15 Freeway**") to the east. The Arantine Hills Specific Plan adopted by the City on August 15, 2012, including all subsequent amendments thereto ("**Specific Plan**") currently includes approximately 300 acres of property and allows up to a maximum of 1,806 dwelling units and approximately 223,000 square feet of general commercial uses (retail, restaurants, services, entertainment, lodging and offices); however, the commercial uses are not part of the Community. As currently planned, the Community is planned to consist of and be developed in four (4) development phases, consisting of a maximum of 1,621 Residences; however, if age-restricted housing is developed within the Community, the number of allowable Residences in the Community may increase to 1,806 dwelling units. The first development phase of the Community ("**Development Phase 1**") is complete and located between Eagle Glen Parkway and Hudson House Drive southeast of Clementine Way.

Master Developer is currently developing the second development Phase of the Community ("**Development Phase 2**") in which the Neighborhood is located. Development Phase 2 is located southeast of Development Phase 1. The third development phase ("**Development Phase 2B**") is across Bedford Canyon Wash south of Development Phase 2. The fourth development phase ("**Development Phase 3/4**") is northwest of Development Phase 1. Development Phase 1 is subject to the Master Declaration. Development Phase 2, Development Phase 2B and Development Phase 3/4 are all part of the Annexable Property defined in the Master Declaration. Development Phase 1, Development Phase 2, Development Phase 2B and Development Phase 3/4 are collectively referred to as the "Development". Master Developer may increase or decrease the actual number of residences built in the Community in its sole discretion and as approved by the City. There are no assurances or representations that the Community will be completed as proposed or at all, or that Residences will be available for sale to homebuyers. The Master Developer is not obligated to construct any future common area improvements within the Community except as required by the City with future development if such development occurs.

The third-party owned property southeast of and adjacent to Development Phase 3/4 ("**Adjacent Property**"), if developed may be landlocked and require access through the private streets located within the Community (referred to as the "**Backbone Streets**"). Master Developer has entered into and recorded the Grant of Easement and Cost Sharing Agreement that provides access through the Backbone Streets, including access through the entry gates ("**Entry Gates**") into the Master Development ("**Easement & Cost Sharing Agreement**"). The Easement & Cost Sharing Agreement allows the developer of the Adjacent Property to enter the Community and use the Backbone Streets to develop such property. The ultimate owners of property and their residents will have access through the Entry Gates and rights to use the Backbone Streets. The use of the Backbone Streets and Entry Gates are subject to the terms of the Easement & Cost Sharing Agreement. There will be use of the Backbone Streets by developers who are not Merchant Builders and also by future homeowners/residents of the Adjacent Property. Those future homebuyers and residents will not be members of the Community and will not be subject to the Master Declaration. The Master Developer has indicated that the built-out budget for the Master Association includes the anticipated contribution from the developer and future homebuyers and residents of the Adjacent Property.

Master Association.

The Bedford Master Association ("**Master Association**") has been established and will be responsible for the maintenance of the Master Association Property and Master Association Maintenance Areas as set forth in the Master Declaration of Covenants, Conditions and Restrictions and Reservation of Easements for Bedford, as restated or amended from time to time ("**Master Declaration**"). Landscape, roads and other exterior areas in the Neighborhood (other than areas required to be maintained by Owners) are maintained by the Master Association. As a member of the Master Association, Owners within the Neighborhood will have obligations with respect to the Master Association including, without limitation, complying with the governing documents of the Master Association, and paying assessments to the Master Association.

The residence you are purchasing will be subject to the Master Declaration. As an Owner of a residence in Bedford, you have the right to use those portions of the Master Association Property and Master Association Maintenance Areas that are intended for the use and enjoyment of residents as set forth in the Master Declaration. Certain portions of the Master Association Property and/or Master Association Maintenance Areas (e.g., landscaped parkways) are not intended for recreational use.

Interests to Be Conveyed:

You will receive fee title to a unit, an undivided fractional fee interest as a tenant in common in the common area together with a membership in the Bedford Master Association ("**Master Association**") and rights to use the common area.

About This Phase:

This is the seventh phase which consists of approximately 1.039 acres on which 9 building(s) containing 9 units and 9 attached garages will be constructed on a portion of Lots 1, 8 and 10 of Tract 37644. The estimated completion date is February 2025.

This Phase will also include Master Association Maintenance Areas consisting of slopes on Lots D, E, G, I and J, a Pocket Park on Lot F and a Trail on Lot H as shown in the Notice of Annexation to Bedford & Designation of Phases of Development for Harper.

This Phase will also include Master Association Maintenance Areas that may include sidewalks, parkways and driveway entry areas as shown in the Notice of Annexation to Bedford & Designation of Phases of Development for Harper.

As currently planned the Neighborhood may ultimately consist of approximately eighty-seven (87) Condominiums. The Subdivider and/or the Master Developer have the right, but are not obligated, to annex any or all of the Annexable Property as described in the Master Declaration.

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

FUTURE DEVELOPMENT OF THE SUBDIVISION 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 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, IF COMPLETED, TO COMPLETE THE SUBDIVISION AS SHOWN. THE SUBDIVIDER MAY SELL AT ANY TIME, ALL OR ANY PORTION OF THE LOTS WITHIN THE SUBDIVISION TO ANY THIRD PARTY, INCLUDING OTHER DEVELOPERS OR BUILDERS.

Sale of All Residences:

The Subdivider has indicated that it intends to sell all of the units in this Subdivision; however, any owner, including the Subdivider, has a legal right to rent or lease the condominiums.

Subdivider and Purchaser Obligations:

IF YOU PURCHASE FIVE OR MORE CONDOMINIUM UNITS 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 UNITS FOR SALE OR LEASE.

NOTE: WHEN YOU SELL YOUR CONDOMINIUM UNIT 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 CONDOMINIUM UNIT 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 Master Association Property:

Completion bond for future Master Association Property ([Phase I - Portion of Lot M of Tract 36294] [Phase II – Portion of Lot M of Tract 36294], [Lot A of Tract 37644]): The Master Developer has posted two separate bonds in favor of the Master Association in an amount acceptable to the DRE which have been deposited into a neutral escrow depository in the amounts of \$579,662.00 (Portion of Lot M of Tract 36294), and \$4,098,600.00 (Lot A of Tract 37644) to assure completion of Master Association Property described in the Planned Construction Statement attached to the bonds which have been provided to the Master Association to perform its duties relating to the completion of the Master Association Property.

The Subdivider has posted a completion bond in favor of the Master Association in an amount acceptable to the Department of Real Estate to assure lien free completion of common area improvements on Lots M through V (private streets). The estimated completion date for these improvements is November 2023 for Lot M and January 2025 for Lots N through V.

The Subdivider estimates all Common Area improvements and Master Maintenance Areas in this phase will be completed by approximately February 2025.

No escrows will close in this phase until completion of all common area improvements, amenities, and facilities or, as an alternative, the Subdivider has submitted a bond or other security acceptable to the Department of Real Estate under the provisions of Section 11018.5 of the Business and Professions Code to assure lien free completion of all common areas, common amenities and common facilities in this phase.

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

MANAGEMENT AND OPERATION:

Master Association Obligations and Governing Documents: The Master Association, of which all Owners with residences in Bedford will become a member at time of the close of escrow for their residence, governs, manages, maintains, and operates the Master Association in accordance with the Master Declaration, the Articles of Incorporation of the Master Association ("***Master Articles***") and the Bylaws of the Master Association ("***Master Bylaws***"). Additionally, one or more Notices of Annexation to the Master Declaration (each, a "***Notice of Annexation***") will be recorded on each

subsequent phase in Development Phase I for the purpose of designating such phase as a "Phase of Development" under the plan of the Master Declaration and for other purposes. A Notice of Annexation may include additional restrictions and easements covering the phase subject to the Notice of Annexation. Also, under California law, the board of directors of the Master Association ("**Master Board**") has the right (subject to compliance with certain procedures) to adopt rules and regulations that generally apply to the management and operation of the Community or the conduct of the business and affairs of the Master Association. Additionally, under the Master Declaration, the Master Board may adopt (i) Master Design Guidelines setting forth the design standards, landscape standards, guidelines, procedures and criteria which regulate proposed improvements by an owner to such owner's residence) and (ii) Maintenance Guidelines regarding the ordinary and necessary maintenance, repair, replacement and/or restoration of the Master Association Property and Master Association Maintenance Areas.

Class C Membership in the Master Association. The Master Declaration provides for Class C Membership. As more fully set forth in the Master Declaration, the Class C Member is the Master Developer. The Class C Membership is not part of the voting power of the Master Association, and the Master Developer is not entitled to exercise any Class C vote except for the purpose of appointing a majority of the members of the Master Board in accordance with the Master Declaration. Purchasers should review the provisions in the Master Declaration relating to Class C voting to determine when Class C voting terminates.

The Master Declaration, Master Bylaws, Master Articles, Notice(s) of Annexation, rules and regulations, Master Design Guidelines and Maintenance Guidelines, as such documents may be re-recorded, restated, amended or otherwise modified from time to time, as applicable, are hereinafter referred to as the "**Master Governing Documents**." You should review each of these documents carefully.

IF YOU WANT TO MAKE IMPROVEMENTS TO YOUR RESIDENCE, THE SUBDIVIDER ADVISES THAT THERE MAY BE A CHARGE ASSOCIATED WITH THE REVIEW OF THE PLANS AND SPECIFICATIONS FOR SUCH IMPROVEMENTS BY THE MASTER ASSOCIATION AND THAT CERTAIN MODIFICATIONS WILL NOT BE ALLOWED.

Existing Master Association: SINCE THE COMMON AREA IMPROVEMENTS, AMENITIES, AND FACILITIES ARE MAINTAINED BY THE MASTER ASSOCIATION, THE MASTER ASSOCIATION MUST HOLD ELECTIONS OF THE MASTER ASSOCIATION'S GOVERNING BODY IN ACCORDANCE WITH ITS GOVERNING DOCUMENTS. THE MASTER ASSOCIATION MUST ALSO PREPARE AND DISTRIBUTE TO ALL HOMEOWNERS A BALANCE SHEET AND INCOME STATEMENT AND A SUMMARY OF THE MASTER ASSOCIATION'S RESERVES BASED UPON THE MOST RECENT REVIEW OR STUDY CONDUCTED PURSUANT TO SECTION 5500 ET SEQ OF THE CIVIL CODE.

The Master Declaration: This Phase of the Neighborhood is subject to the Master Declaration November 22, 2017 as Instrument No. 2017-0490785, the First Amendment to Master Declaration of Covenants, Conditions and Restrictions and Reservation of Easements for Bedford recorded on November 13, 2018 as Instrument No. 2018-0444485 the Second Amendment to Master Declaration of Covenants, Conditions and Restrictions and Reservation of Easements for Bedford recorded on September 23, 2019 as Instrument No. 2019-0376226 ("**CC&RS Amendment**"), and a Notice of

Annexation to Bedford and Designation of Phases of Development [Planning Area 1; Lots D-J and M-Y of Tract No. 37644] recorded February 22, 2023 as Instrument No. 2023-0049657, all in the Office of the Riverside County Recorder, as the same may be modified or amended.

Declaration Establishing Access Easement Rights (Bedford – Development Phases 1, 2, 2B, 3, & 4). Development Phases 1, 2, 2B, 3, & 4 are subject to a Declaration Establishing Access Easement Rights (**Bedford – Development Phases 1, 2, 2B, 3, & 4**) ("**Access Declaration**") recorded on December 30, 2021, as Instrument No. 2021-0766313 in the Office of the Riverside County Recorder. Subject to the terms and provisions of the Access Declaration, the Master Developer granted to all owners of residences in Development Phases 1, 2, 2B, 3, & 4, the Master Association and other parties described in the Access Declaration nonexclusive easements on, over and across the Private Streets (defined therein) in Development Phases 1, 2, 2B, 3, & 4 which are described in the Access Declaration (each, a "**Private Street**" collectively, the "**Private Streets**" for vehicular and pedestrian ingress, egress and access. The Master Developer reserves the unilateral right, from time to time, to temporarily prohibit or otherwise restrict access over any Private Street (or portion thereof) for such purposes as Master Developer, in its sole discretion, deems appropriate (including, but not limited to, barring access into construction areas) until fee title to such Private Street has been conveyed to the Master Association.

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

SOLAR 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 IS ON THE WEBSITE OF THE CALIFORNIA ENERGY COMMISSION AND PUBLIC UTILITIES COMMISSION, AT California Solar Consumer Protection Guide 2021 https://www.cpu.ca.gov/-/MEDIA/CPUC-WEBSITE/DIVISIONS/ENERGY-DIVISION/DOCUMENTS/SOLAR-GUIDE/SOLARGUIDE22_011922.PDF.

Documents to be Furnished:

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

THE SUBDIVIDER STATED IT WILL FURNISH EACH INDIVIDUAL PURCHASER WITH THE CONDOMINIUM PLAN FOR PHASE 3.

THE SUBDIVIDER MUST MAINTAIN AND DELIVER TO THE MASTER 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 MASTER ASSOCIATION TO PERFORM ITS DUTIES AND RESPONSIBILITIES (SECTION 11018.5 OF THE BUSINESS AND PROFESSIONS CODE)

THE SUBDIVIDER SHALL MAKE A COPY OF THE MASTER ARTICLES, MASTER BYLAWS AND THE MASTER DECLARATION AVAILABLE FOR EXAMINATION BY A PROSPECTIVE BUYER BEFORE EXECUTION OF AN OFFER TO PURCHASE A CONDOMINIUM UNIT. 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 CONDOMINIUM UNIT. (BUSINESS AND PROFESSIONS CODE SECTION 11018.6)

MAINTENANCE AND OPERATIONAL EXPENSES:

Master Association to Levy Assessments. The Master Association has the right to levy assessments against you for the maintenance of the Master Association Property, Master Association Maintenance Areas and other purposes. Your control of operations and expenses is limited to the right of your elected representatives to vote on certain provisions at Master Association meetings.

Master Association Budgets. The Master Developer has submitted budgets (collectively, "*Master Budget*") for the management, maintenance and operation of the Master Association's obligations and for long-term reserves for the Community when the Community is substantially completed (built-out budget) and interim budgets applicable to the phases. The Master Budget for Bedford was reviewed by the DRE in October 2022. You should obtain a copy of the Master Budget from the Subdivider.

Range of Assessments: If the development of the Community continues as currently anticipated the Master Developer has established the following "Range of Assessments" procedure:

Due to uncertainty in the sequence in which the phases will have escrow closings in the Community, it is difficult to predict at this time the amount of the monthly installment of Common Assessment (as defined in the Master Declaration) ("**Master Common Assessment**") which will be assessed against each Lot and/or Condominium. As the overall Community is developed and additional phases become subject to assessment, the amount of the monthly installment of Master Common Assessments in existing phases may increase or decrease, subject to the limitations in the Master Declaration. Under the interim Master Budget on file with the DRE, the range of monthly installment of Master Common Assessments during the development period will be between \$215.00 and \$235.75. Of these amounts, the contributions toward long-term reserves (which are not to be used to pay for current management, maintenance and operating expenses) will be between \$49.39 and \$71.15. Prior to the close of escrow for the purchase of your residence, the Subdivider will provide you with a copy of the best case and the worst-case Master Budget, including the Master Budget for the current fiscal year.

Level Master Common Assessments Within the Range: In order to stabilize the amount of the monthly installment of Master Common Assessments within the range while additional phases are being annexed into the Community, the Master Board, with the Master Developer's approval, may fix (that is level) the amount of the monthly installment of Master Common Assessments for two (2) or more phases regardless of the fact that additional phases are being annexed into the Community. The "level" amount of the monthly installment of Master Common Assessments will be within the range approved by the DRE. The level monthly installment of Master Common Assessments may either temporarily accrue a surplus or permit a previously accrued surplus to be gradually depleted. The Master Board, with the Master Developer's approval, may, from time to time, adjust the amount of the level monthly installment of Master Common Assessments within the approved range, subject to DRE approval. Unless terminated earlier by the Master Board, the level monthly installment of Master Common Assessments procedure shall be effective during the period additional phases may be annexed into the Community without the approval of the Master Association in accordance with the provisions of the Master Declaration. During the period the level monthly installment of Master Common Assessments procedure is in effect, the Master Association shall maintain a separate bank account in which to deposit the accrued surplus funds collected and shall only withdraw the accrued surplus funds from that account to fund the Common Expenses (as defined in the Master Declaration) of the Master Association as contemplated by the approved Master Budget. The Master Association's annual audit shall include an audit of the surplus funds accrued and expended under the level monthly assessments procedure.

The Master Budget submitted by the Master Developer is based on information available at the time of its preparation. It is anticipated that the monthly installment of Master Common Assessments under the interim budget for a phase should be sufficient for the proper management, maintenance and operation of the Master Association through such phase. However, the Master Budget figures are estimates only and the actual costs may be different. In addition, there are no assurances or representations made that the Master Common Assessments set forth in the Master Budget will be sufficient to cover any unexpected events (e.g., unplanned repair costs and/or reduced improvement life) or items which are not presently contemplated in the Master Budget. Therefore, it is possible that the Master Association may need to increase Master Common Assessments to accommodate unanticipated repairs, replacement and/or other costs. In addition, until Final Subdivision Public

Reports have been issued for all residences to be built in the Community, the Master Budget is subject to review by the DRE every twenty-four (24) months, at which time the proposed amount of the monthly installment of Master Common Assessment amounts as well as the proposed built- out assessment amount will be re-evaluated and will be subject to change.

Master Association Financial Information Provided by Subdivider. PRIOR TO THE CLOSE OF ESCROW FOR THE PURCHASE OF YOUR RESIDENCE, THE SUBDIVIDER WILL PROVIDE YOU WITH A COPY OF THE BEST-CASE MASTER BUDGET AND THE WORST-CASE MASTER BUDGET, INCLUDING A COPY OF THE MASTER ASSOCIATION'S OPERATING BUDGET FOR THE CURRENT FISCAL YEAR. IF THE BUDGETS FURNISHED TO YOU BY THE SUBDIVIDER SHOWS A MONTHLY INSTALLMENT OF MASTER COMMON ASSESSMENT FIGURE WHICH IS DIFFERENT FROM THE RANGE OF ASSESSMENT REFLECTED IN THIS PUBLIC REPORT, YOU SHOULD CONTACT THE DEPARTMENT OF REAL ESTATE BEFORE PROCEEDING WITH A PURCHASE.

YOU SHOULD BE AWARE THAT IF, AND WHEN ADDITIONAL PHASE(S) ARE ANNEXED INTO THE SUBDIVISION, THE MONTHLY ASSESSMENTS AGAINST YOUR CONDOMINIUM UNIT MAY INCREASE OR DECREASE DEPENDING UPON, AMONG OTHER THINGS, THE NUMBER OF CONDOMINIUM UNITS BEING ANNEXED IN SUCH SUBSEQUENT PHASE(S) AND WHETHER ANY ADDITIONAL COMMON AREA AND/OR COMMON FACILITIES ARE ALSO BEING ANNEXED AS A PART OF SUCH PHASE(S).

According to the Subdivider, assessments under the interim budget should be sufficient for proper management, maintenance and operation of the Master Association's obligations until the subdivision 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 condominium unit, 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 Master Association.

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 THE IMPROVEMENTS AND WITH INCREASES IN THE COST OF LIVING, INCLUDING, BUT NOT LIMITED TO, COSTS ASSOCIATED WITH UTILITIES AND LABOR. YOU SHOULD BE AWARE OF THE POSSIBLE EFFECT THESE INCREASES MAY HAVE ON YOUR ABILITY TO PAY THESE ASSESSMENTS.

Master Association Financial Information Provided by Subdivider. In addition to other documentation provided to each prospective purchaser, pursuant to Business and Professions Code Section 11018.6, a copy of the current financial information and related statements for the Master Association to the extent available, which includes an Assessment and Reserve Funding Disclosure

Summary required by Civil Code Section 5300(b) and (e) and prepared in accordance with Civil Code Section 5565, as well as a statement concerning any delinquent assessments and related charges as provided by the Governing Documents must be made available for examination by you before the execution of an offer to purchase a Condominium. A copy of this financial information must also be given to you as soon as practicable before close of escrow.

THE SUBDIVIDER AND/OR THE MASTER DEVELOPER MUST IMMEDIATELY NOTIFY THE DRE IN WRITING, IF DELINQUENT ASSESSMENTS HAVE CAUSED THE MASTER ASSOCIATION TO RECEIVE TEN PERCENT (10%) LESS INCOME THAN REFLECTED IN THE THEN CURRENT MASTER BUDGET (REGULATION 2800K).

IF THE DELINQUENCY AND FUNDING DISCLOSURE PROVIDED TO YOU INDICATES THAT DELINQUENCIES IN THE PAYMENT OF MONTHLY INSTALLMENT OF REGULAR ASSESSMENTS BY OWNERS WITHIN BEDFORD RESULT IN THE RECEIPT BY THE MASTER ASSOCIATION OF INCOME WHICH IS MORE THAN 10% LESS THAN THE SCHEDULED INCOME FROM SUCH MONTHLY INSTALLMENTS OF REGULAR ASSESSMENTS, YOU SHOULD CONTACT THE DRE BEFORE PROCEEDING WITH YOUR PURCHASE.

MASTER ASSOCIATION ABILITY TO PERFORM. THE ABILITY OF THE MASTER ASSOCIATION TO PERFORM ANY OR ALL OF ITS RESPONSIBILITIES IS AFFECTED IF THE MONTHLY INSTALLMENT OF REGULAR ASSESSMENTS LEVIED BY THE MASTER ASSOCIATION PROVE INSUFFICIENT TO PROPERLY MAINTAIN, OPERATE, REPAIR OR REPLACE THE MASTER ASSOCIATION PROPERTY AND THE MASTER ASSOCIATION MAINTENANCE AREAS, AND/OR IF THERE IS A SIGNIFICANT AMOUNT OF DELINQUENCIES IN THE PAYMENT OF THE MONTHLY ASSESSMENT. THE RESULT MAY BE THAT THE MASTER ASSOCIATION MAY NEED TO INCREASE THE MONTHLY INSTALLMENT OF REGULAR ASSESSMENTS OR LEVY ONE OR MORE SPECIAL ASSESSMENTS AGAINST ALL LOTS AND CONDOMINIUMS IN BEDFORD IN ACCORDANCE WITH THE GOVERNING DOCUMENTS IN ORDER TO PROVIDE SUFFICIENT FUNDING OR, AS AN ALTERNATIVE, THE MASTER ASSOCIATION MAY DECIDE TO DEFER MAINTENANCE OR REDUCE MASTER ASSOCIATION SERVICES. SHOULD THIS OCCUR, IT MAY AFFECT YOUR DESIRE TO PURCHASE OR ABILITY TO OBTAIN FINANCING FOR THE PURCHASE OF YOUR RESIDENCE.

YOU SHOULD PAY SPECIAL ATTENTION TO THIS FINANCIAL INFORMATION FOR THE MASTER ASSOCIATION AS IT PERTAINS TO CURRENT AND POSSIBLE FUTURE FINANCIAL OBLIGATIONS AFFECTING ALL HOMEOWNERS WITHIN THE MASTER ASSOCIATION. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THESE FINANCIAL DOCUMENTS, YOU MAY WISH TO CONSULT WITH YOUR OWN PROFESSIONAL ADVISORS.

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.

Assessment Increases/Decreases: The Master 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 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 Master Association will commence on all condominium units in this phase on the first day of the month following the conveyance of the first condominium unit in this phase. The Subdivider must pay assessments to the Master Association for all unsold condominium units in this phase (Regulations 2792.9 and 2792.16).

Failure to Pay: The remedies available to the Master 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 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 Master Association should assure itself that the Subdivider has satisfied these obligations to the Master Association with respect to the payment of assessments before agreeing to a release or exoneration of the security.

Master Developer Street Maintenance Agreement. The Master Developer plans to enter into a Street Maintenance Agreement with the Master Association, which provides for, among other things, (i) temporary maintenance of the Master Developer Streets (as such term is defined in the Street Maintenance Agreement) by the Master Developer until fee title thereto is conveyed to the Master Association; (ii) completion of the Master Developer Streets by the Master Developer by causing a final seal coat to be installed thereon as required by the City; and (iii) the funding of reserves for the Master Developer Streets in accordance with the Street Maintenance Agreement. According to the Street Maintenance Agreement, the Master Developer Streets will be completed on or before December 1, 2039, and each Master Developer Street will be conveyed to the Master Association within thirty (30) days after the Master Developer causes a final seal coat to be installed on such Master Developer Street (but in no event later than December 31, 2039).

Merchant Builder Private Street Maintenance Agreement. Subdivider has entered into a Street Maintenance Agreement with the Master Association, which provides for, among other things, (a) temporary maintenance of the Merchant Builder Streets (as such term is defined in the Street Maintenance Agreement) by Subdivider until fee title thereto is conveyed to the Master Association; (b) completion of the Merchant Builder Streets by Subdivider by causing a final seal coat to be installed thereon as required by the City; and (c) the funding of reserves for the Merchant Builder Streets in accordance with the Street Maintenance Agreement. According to the Street Maintenance Agreement, the Merchant Builder Streets will be completed on or before January, 2025, and each Merchant Builder Street will be conveyed to the Master Association within thirty (30) days after Subdivider causes a final seal coat to be installed on such Master Developer Street (but in no event later than April 2025).

Use Agreements. The Master Developer has entered into use agreements with the Master Association whereby a dog park and recreational facility may be made available for use by the Owners prior to the transfer of the facilities to the Master Association (collectively, "Community Amenities"). The

Master Association will be obligated to contribute certain costs (such as reserve funds) associated with these facilities pursuant to the terms of the use agreements. Copies of the use agreements are available in the Sales Office for review. Subdivider is not constructing the facilities referenced in the use agreements and makes no representation or warranty as to the completion date of such facilities. Residents living near the Community Amenities will most likely experience higher than normal pedestrian traffic and noise levels from use of the Community Amenities. The use and operation of the Community Amenities will be subject to the Rules and Regulations, and the Master Association will be responsible for establishing hours of operation and rules regarding use of the Community Amenities. Additional information regarding the Community Amenities is included in the Disclosure Statement.

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

Zoning

The zoning surrounding this Neighborhood currently shown as follows:

North: Eagle Glen Parkway; Residential
South: Vacant/Undeveloped Land
East: Bedford Canyon Road; Shopping Center
West: Residential

Uses

The Eagle Glen master planned development is located to the north and west of the Bedford Entrance and includes approximately 1,561 homes, the Eagle Glen Golf Course (approximately .90 mile southwest of the Bedford Entrance).

Woodrow Wilson Elementary School (approximately one (1) mile west of the Bedford Entrance).
Village at Eagle Glen (a commercial center with a supermarket located at the northeast corner of Bedford Canyon Road and Cajalco Road, approximately .3 mile north of the Bedford Entrance).
The Retreat master planned development is located to the approximately 1.12 miles to the south of the Bedford Entrance and includes approximately 516 homes, the Champions Club at The Retreat golf course.

The Crossings at Corona (retail stores, theaters and dining) is located on the east side of the I-15 freeway at Cajalco Road, approximately .5-mile northeast of the Bedford Entrance.

The Shops at Dos Lagos (retail stores, theaters/concerts/entertainment events and dining) is located at the historical site of the Temescal Tin Mines and the Butterfield Stage Coach Route, approximately .6 mile southeast of the Bedford Entrance.

Bedford Marketplace is located directly east of the Community on the West side of I-15.

The Bedford Marketplace commercial development is located directly to the northeast of Bedford with access from Bedford Canyon Road.

****** These surrounding residential and commercial uses may cause inconveniences in the form of noise, vibrations, vehicle emissions, odors and increased traffic.

Community Amenities. The Community includes or may include multiple recreation facilities which include but are not limited to, swimming pool(s), wading pool(s) and spa(s), water play features, clubhouse buildings with meeting room(s) and tot lot(s) with picnic areas, benches and sitting areas, gardens/landscaping, open turf area(s), shade structure(s) off-street parking lot(s), and other facilities, uses and events (collectively, “**Recreational Facilities**”). Residents living near the Recreational Facilities will most likely experience higher than normal pedestrian traffic and noise levels from use of the Recreational Facilities. Night lighting of Recreational Facilities may also increase glare in some Residences. The Master Association may change the hours of operation of, and access to, the Recreational Facilities from time to time. The use and operation of the Recreational Facilities will be subject to the Rules and Regulations, which, among other things, may provide for acceptable attire, restricted access to facilities, both generally and in connection with special events being held at the clubhouse, limited guest privileges, age limits, and restrictions on particular uses.

The Recreation Facilities also may include a future dog park facility (“**Dog Park**”). The Dog Park is proposed to be located on the southern side of Hudson House Drive adjacent to the Wash. Residents living near the Dog Park will most likely experience higher than normal pedestrian traffic levels, noise from vehicles, persons and animals, and other nuisances from use of the Dog Park, and light and glare. The Master Association may change the hours of operation of, and access to, the Dog Park from time to time and may light such area. The use and operation of the Dog Park will be subject to the Rules and Regulations, which, among other things, may provide for restricted access days and times, animal type, size and number limitations, leash requirements, pet waste clean-up requirements, and other restrictions. All Rules and Regulations are subject to change from time to time.

Although the amenities, including trails, and streets in the Community will be owned and maintained by the Master Association, the City has required easements that allow for public pedestrian and bicycle access into and through the Community (including through the pedestrian gates at Bedford Canyon Road and Clementine Way). Therefore, the public will use certain streets, sidewalks, trails and other areas that are owned and maintained by the Master Association.

The Master Association will be responsible for establishing hours of operation and rules regarding use of the amenities. All amenity plans are subject to change.

Fire Station. Corona Fire Station #7 is located on 3777 Bedford Canyon Road. Residents in the Community may experience inconveniences from siren noise and activities associated with the operation of the fire station.

Scale Broom. One of the native plants common to the area and expected to occur in the Wash is Scale Broom (*Lepidospartum squamatum*). Scale Broom, a shrub that can grow to 5 feet tall, looks like a bunch of green corn stalk brooms tied together with yellow flowers on top. While Scale Broom is an important component of alluvial fan sage scrub habitat, because of the energy stored in the rootstock, Scale Broom can exert tremendous pressure at the stem tip of the plant. This adaptation allows Scale

Broom to survive under heavy sediment that can occur after the Wash has been flooded. However, in certain circumstances Scale Broom has been able to raise and/or break through man-made structures such as pavement. Prior to development of the Community, Master Developer (or its predecessor) removed, to the extent feasible, all known Scale Broom from the development areas. However, since Scale Broom is naturally occurring in the area and therefore cannot be completely eradicated, Scale Broom occurs naturally on property surrounding the Community and will likely occur naturally in the Wash. Scale Broom seeds may disperse by air currents/wind, birds or by other means from the Wash to development areas within the Community. Accordingly, upon recognition, any Scale Broom must be removed immediately from the Property. Removal must include the appropriate use of herbicide to inhibit regrowth of the plant. Neither Master Developer nor the Master Association assume any liability for damage to any property caused by Scale Broom.

Open Space Areas. The Community will include open space areas which are expected to be owned and maintained by the Master Association. Open space areas are susceptible to wildfire. In connection with such open space, there will be fuel modification areas on the Master Association Property which the Master Association will be responsible for maintaining. Homeowners are required to comply with applicable fire and fuel modification setback and construction requirements regarding Improvements constructed on the Residences. In addition, a public, multi-use trail is required by the City to be constructed along the Wash and as well as in other parts of the community, which will include pathways for walking and cycling. The trail along the Wash also serves as access for maintenance of the Wash. A maintenance trail/access road with lighting will be constructed in Development Phase 2 and Development Phase 3/4 as a continuation of an existing trail in Development Phase 1. Trucks may periodically use the trails for access and/or staging of equipment. Care must be taken during the use of the trail system to avoid maintenance vehicles and maintenance operations. At times the trails may be closed to accommodate maintenance or repair activities. Due to the proximity of open space areas and trails within the Community and the Wash, residents in the Community may be affected by wildlife (e.g., skunks, snakes, raccoons, possums, coyotes, mountain lions, mice, etc.), reptiles and plant life (e.g., poison ivy, poison oak and other poisonous vegetation) typically found in natural open space areas and trails, which may cause noise, odors, pollen and other concerns. Insects of all types may also be present, including without limitation, flies (including Mediterranean Fruit flies), mosquitoes, termites, spiders, stinging bees (including Africanized killer bees), ants (including Red Imported Fire ants), crickets and aphids. Animal wildlife may venture from natural open space areas into portions of the Residences and Community. Each Owner assumes all risks pertaining to such wildlife and plants and releases Master Developer and all of their respective members, managers, partners, shareholders, directors, officers, employees, consultants and agents from any and all claims, damages, costs, expenses, losses and other liability (including actual attorneys' fees) for death or injury to any person and/or damage to any property (including, but not limited to, plants, pets and vehicles) arising from or otherwise relating to such wildlife and plants.

Until the completion of the Community, the Master Developer reserves the right to modify any trail amenities described herein, and there is no assurance that all amenities described herein will be completed as proposed. In addition, additional amenities may be added to the Community in the discretion of the Master Developer, subject to applicable governmental approvals.

El Sobrante Landfill. The El Sobrante Landfill, located on 10910 Dawson Canyon Road, is approximately 3.3 miles southeast of the entrance to the Community on Bedford Canyon Road ("Bedford Entrance"). The landfill is currently owned by USA Waste of California (a Waste

Management subsidiary) and operated by Waste Management. The landfill covers approximately 1,322 acres, with about 468 acres to be used for waste disposal. The landfill is a Class 3 regional disposal facility permitted to accept up to 70,000 tons per week, 24 hours per day and has a projected capacity to serve residents and businesses in the County for another 50 years. The landfill accepts public and commercial solid waste. Operations from the landfill may periodically cause odors which reach the Community, and residents in the Community will be able to see the landfill site from the Community. Questions regarding the landfill may be directed to Waste Management at (800) 963-4776.

Traffic. The Community is located in close proximity to several freeways, highways and major thoroughfares, including without limitation the I-15 Freeway, which runs in a north-south direction and is located immediately east of the Community, the 91 Freeway connector to the I-15 Freeway, which is located approximately 4.8 miles north of the Bedford Entrance, Cajalco Road and Eagle Glen Parkway. Master Developer has no control over the use, maintenance or care of these freeways, highways and thoroughfares. Some, if not all, of these freeways, highways and streets are heavily traveled at most hours of the day and night. Noise will impact all homes in the Community and the level of noise may be considered significant. Residents will be impacted by dust, wind, vibrations, fuel particles, air pollution, fumes, odors, bright lights, traffic congestion, significant noise and other impacts from such freeways, highways and roads. There may be traffic signals and street lighting installed within and/or near the Community. Residents may experience, and/or be exposed to, among other things, lights, glare from bright lights into Residences and noise in connection with such signals and street lighting as well as the public's use of adjacent roadways. For more information about the existing and future traffic signals, you should contact the applicable engineering department and/or agency.

I-15 Express Lanes Project. The Riverside County Transportation Commission ("RCTC"), Caltrans and the Federal Highway Administration plan to improve the I-15 Freeway in the vicinity of the Community. Master Developer has not made any representation as to the impacts of any freeway, highway or road or the potential for expansion, widening or other improvements that may be planned for any freeway, highway or road in the vicinity of the Community, including when, or if, the I-15 Express Lanes project will be completed and if completed, the proximity of the entry or exit points within the I-15 Express Lanes to the Community and the fees which will be charged for use of the I-15 Express Lanes and 91 Express Lanes. You are advised that construction activities in connection with the I-15 Express Lanes project could have direct impacts upon you, your home and the Community, including inconveniences from construction noise and dust as well as increased vehicular traffic and delays. Master Developer is not obligated to notify you concerning any activities or updates relative to the I-15 Express Lanes project.

Neither Master Developer nor the Subdivider has made any representation as to the impacts of any freeway, highway or road or the potential for expansion, widening or other improvements that may be planned for any freeway, highway or road in the vicinity of the Community, including when, or if, the I-15 Express Lanes project will be completed and if completed, the proximity of the entry or exit points within the I-15 Express Lanes to the Community and the fees which will be charged for use of the I-15 Express Lanes and 91 Express Lanes. Buyer is advised that construction activities in connection with the I-15 Express Lanes project could have direct impacts upon Buyer, the residence Buyer is purchasing and the Community, including inconveniences from construction noise and dust as well as increased vehicular traffic and delays. The Master Developer, Subdivider and Master

Association are not obligated to notify you concerning any activities or updates relative to the I-15 Express Lanes project. For more information regarding the I-15 Express Lanes project, please call the project helpline at (844) 415-9777 or visit <http://www.rctc.org/projects/15-express-lanes-project/> or <http://15project.info/>.

Sewer Lift Station. A sewer lift station is located adjacent to the Commercial Development known as Bedford Marketplace. The property on which the lift station has been constructed is owned and maintained by the City. Access to the sewer lift station will be off of Bedford Canyon Road. Residents may be inconvenienced by noise and odors associated with the operation and maintenance of the lift station, including without limitation, sewage and other odors related to a sewer lift station. Master Developer has no control over the use, maintenance or care of the lift station.

Commercial Development known as the Bedford Marketplace. The Specific Plan allows for the development of an approximately 18-acre commercial center which is currently under construction located immediately to the northeast of Bedford Canyon Road and adjacent to one of the water quality basins in the Community (“**Commercial Development**”). The Commercial Development is not part of the Community, and Master Developer is not the developer of the Commercial Development. The Commercial Development may include, without limitation, retail, restaurants, services, gas station and car wash, entertainment, hospitality and offices. Master Developer makes no assurances or representations regarding how the Commercial Development will be developed. Residents within the Community will experience glare from lighting within the Commercial Development, as well as noise, odors and other inconveniences associated with shopping center operations including without limitation, noise and/or odors from delivery trucks, refuse disposal trucks, sweeping of parking lots, use of loud speakers during special events and cooking aromas from restaurant kitchen vents, if any. Deliveries and trash hauling may take place at any time, including late evening and early morning. In addition, the use of the Commercial Development will cause increased pedestrian and vehicular traffic in the vicinity of the Community and in particular on Bedford Canyon Road, where one of the gated entries to the Community will be located.

Controlled Access Facilities; Security and Privacy Disclaimer. Vehicular access into the Community is planned to be controlled by motorized entry gates located at the entrances to the Community on Bedford Canyon Road and Clementine Way. There will not be any attendants at the vehicular gates, which will be controlled by phone, entry fob, remote and/or other electronic access. In addition, pedestrian access gates into the Community, if installed, are required to remain unlocked in order to allow the public access into and through the Community. Access gates are not intended to provide security or privacy for persons, personal property or Residences within the Community. Even though vehicular access to the Community is controlled by access devices, the Community is accessible by the public through the pedestrian access gates. Neither Master Developer nor the Master Association undertakes to provide security or privacy for the Community or any resident of the Community nor does Master Developer or the Master Association make any representations or warranties concerning the privacy, security and safety of the Community or residents in the Community. Until the last close of escrow occurs in the Community, (a) vehicular access gates may be open to the general public seven (7) days per week, (b) the hours of vehicular access gate operation may be changed without notice to accommodate construction and marketing activities, and (c) operation of vehicular access gates may be limited. Residents of homes that are located near or in the vicinity of the access gates, driveways, parking areas, entrances and walkways to the Community (“**Access and Parking Facilities**”) will experience certain inconveniences, including without limitation

(i) noise from Access and Parking Facility operations, vehicles and persons; (ii) vehicle odors and fumes; and (iii) light shed from vehicle lights and lighting of Access and Parking Facilities. Such inconveniences shall exist twenty-four (24) hours per day, seven (7) days per week.

Parking Restrictions. The Master Declaration contains restrictions on parking which limit the type, size and number of vehicles that residents may park in the Community. In addition, the Community is governed by a parking program ("**Parking Program**") that is managed by the Master Association to encourage residents of the Community to park their vehicles in their personal designated parking areas, such as the garage and driveway. The Parking Program requires residents to register all vehicles in their household and provide DMV registration documentation to the Master Association through its designated vendor ("**Master Association Vendor**"). A Community parking permit ("**Parking Permit**") is required for all vehicles that cannot be accommodated in the designated parking areas of a Residence in order to park overnight on a Community street. Before issuing a Parking Permit, the Master Association Vendor will verify that all designated parking areas of the Residence have been used appropriately and to their maximum capacity. Builder should review the Parking Program and disclose information applicable to it Homebuyers and provide a copy of the parking Program to its Homebuyers.

On-Going Development and Construction Activity. The construction and/or sale of Residences in the Community and the Adjacent Property may cause some inconvenience to residents of the Community (e.g., noise and dust from construction traffic, travel delays due to construction traffic and prospective buyers visiting the model complexes and sales offices within the Community and the Adjacent Property. During the development of the Community and the Adjacent Property there will be significant construction activity which will continue over a period of years, including construction activity from Merchant Builders in the Community and the developer of the Adjacent Property which may impact the Community. Construction activity may include, without limitation, grading, construction, drilling and excavation work both within and outside of the Community, including without limitation, on-site improvements and off-site improvements/modifications made by Master Developer or Merchant Builders which may impact you and the Property. The streets within and in the vicinity of the Community will also be subject to construction-related activities, including without limitation, vehicular transportation of building materials, equipment and personnel, ongoing construction, staging, storage and other related activities. All activities described in this Section will present increased traffic as well as dust, dirt, pollution, gasoline (including diesel) fumes, noise and the like. Due to the ongoing development of the Community, public and private infrastructure and utilities in the Community and/or servicing the Property may be temporarily interrupted from time to time and/or adversely affected (e.g., temporarily shutting off utilities to make utility connections). Construction activities within and in the vicinity of the Community may occur seven (7) days a week and at all hours allowed by the applicable Governing Authorities.

Surrounding Development. Master Developer has provided no representations or warranties concerning the impact on the residents, Residences or the Community of any future development or uses (including without limitation, noise, traffic, and the type, style, or density) associated with future development of any real property in the vicinity of the Community. Real property in the vicinity of the Community may be developed to accommodate land uses compatible with the applicable zoning and general plan designations for said property, as determined or modified by the City, County or applicable Governing Authority (see Section 34 below). Such development may modify existing developed areas, traffic patterns, and/or undeveloped areas. Master Developer has no control over

what may be built in the surrounding areas. You have investigated the pending development plans and existing and proposed land uses associated with those areas surrounding the Community.

Possible Future Development of Adjacent Property. There is a possibility that the Adjacent Property may be entitled and developed with residences. The use of the Backbone Streets by the developer of the Adjacent Property and its future homeowners and residents is subject to the Easement and Cost Sharing Agreement.

Hazards

The Subdivider advises that the following hazard(s) exist within or near this development:

Fire Dangers: California Wildfires. California is prone to environmental and weather conditions that create a high risk of destructive wildfires. These wildfires are difficult to predict, control and extinguish. Such wildfires may cause Buyer property loss or bodily harm. They may also force evacuation from the Home or the Community. As recent wildfires in California have illustrated, wildfires may occur at any time of year, start without warning and spread at a rapid and unpredictable rate, destroying massive amounts of property and injuring or killing humans and animals in their path. Rural, suburban and urban areas have all been impacted by wildfires. In addition to the risks associated with wildfires and related evacuations, looting of evacuated sites and mudslides associated with rain in recently burned areas are all risks that accompany California wildfires. Subdivider cannot control the conditions that create and spread these wildfires, and Buyer is advised to carefully consider the risks of wildfires that are inherent in California living. Buyer should become familiar with local and state fire protection agencies' recommendations and information regarding California wildfire dangers and risks. The inherent risks of wildfires in California may have an adverse impact on insurance premiums for homeowner's insurance or homeowner's insurance may not be available at all. Buyer should consult an insurance professional for additional information about the costs and availability of insurance for the Home.

Fire Prevention; Fuel Modification Zones. The Master Development is located in an area subject to a substantial risk of damage from wildfires. Areas adjacent to the Master Development are within Very High Fire Severity Zones as defined by the State of California (CalFire). As a result, Development Phase 2 and other portions of the Master Development will be developed pursuant to fire protection plans established in cooperation with the Corona City Fire Department ("CCFD"). Buyer shall be provided with a copy of the Bedford Phase 2 at Arantine Hills Fuel Modification Plan -- TTM 37644, which has been approved by the CCFD for Development Phase 2 on March 19, 2020 ("**Fuel Modification Plan**"), and a copy of the Bedford Phase 2 at Arantine Hills Fire Master Plan, which has been approved by the CCFD on March 23, 2020 ("**Fire Master Plan**"). The Fuel Modification Plan establishes various fuel modification zones, fire prevention maintenance and planting areas and construction requirements applicable to the Master Association Property and/or Residences in Development Phase 2 and describes the respective maintenance standards that apply. The Fire Master Plan establishes various design, construction, parking, grove and weed abatement, and other fire protective requirements applicable to the Master Association Property and/or Residences in Development Phase 2. In some cases, additional fire protection restrictions have been established for specific Residences. For example, certain Residences located in Development Phase 2 which are adjacent to open space areas are subject to setback zones and/or will be improved with radiant heat property walls. You should review the Fuel Modification Plan to determine if the residence you are

purchasing is subject to any special fire restrictions. During the maintenance of and improvements to your residence, wildland interface construction standards must be maintained to the level required by the Fuel Modification Plan and/or the current fire department standards/codes for interface structures. The fire protection measures described in the Fuel Modification Plan may reduce, but will not eliminate, the risk of fire from wildfires.

Sand and Gravel/Mining Operations. Various sand and gravel/mining facilities are located in proximity to the Community. In particular, some neighborhoods within the Community are located within one (1) mile of reported mining operation(s). Please review the Natural Hazard Disclosure Report provided by your Neighborhood Builder to determine if any mining operation(s) is located within one (1) mile from the neighborhood in which the Property is located. Residents in the Community may experience noise, dust, air pollution and other adverse impacts resulting from the sand and gravel/mining operations and distribution-related activities at the facilities. Master Developer has no control over the maintenance or operation of the sand and gravel/mining facilities and makes no representations or warranties of any kind or nature regarding any activities conducted at the facilities.

Bedford Canyon Wash ("Wash"). The Wash is located in the southern portion of the Master Development and portions are owned by Riverside County Flood Control District. The Wash runs in a northeasterly direction and discharges into the Temescal Canyon Wash. As part of the development of the Master Development, the Wash has been and will be further widened, protected for flood control purposes and restored to create habitat for native plants and animals. Current and future portions of the Wash will be preserved in perpetuity under a Conservation Easement Deed made by Master Developer in favor of Riverside-Corona Resource Conservation District and third party beneficiaries including Riverside County Flood Control and Water Conservation District and California Department of Fish and Wildlife and recorded in the Official Records of the County ("Conservation Easement"). Other upstream portions of the Wash, will be improved and then conveyed to the Riverside County Flood Control and Water Conservation District upon recordation of the Conservation Easement and will be maintained in accordance with the Conservation Easement. Except for certain maintenance and monitoring obligations of the Master Association as set forth in the Long Term Management Plan attached as an exhibit to the Conservation Easement and Section 5.2.18 of the First Amendment to the Master Declaration, maintenance of the Wash will be performed by a Conservancy, which is responsible for maintaining the native plants, and the Riverside County Flood Control and Water Conservation District, which is responsible for maintaining the flood control structures installed within the Wash. In addition, the Master Association will be responsible for maintaining the fencing surrounding the Wash. This fencing, which separates the Wash from the public trail which runs alongside it, is not intended as a security measure and Master Developer, Subdivider and the Master Association provide no representations, warranties or assurances that the fencing will keep persons or pets from accessing the Wash. Under the Conservation Easement, recreational activities of any kind are prohibited within the Wash, including without limitation, horseback riding, biking, hiking, hunting or fishing. Furthermore, pets are prohibited from entering the Wash. The Wash serves as a wildlife corridor for wild animals, some of which could be hazardous to people or pets. Therefore, residents in the Community as well as the public are prohibited from accessing and using the Wash. The Wash is a water hazard and when using the public trail adjacent to the Wash, Buyers, their family, guests, tenants and invitees should exercise caution and children and pets must be closely watched to prevent accidental drownings and other mishaps. The Wash may contribute to the propagation of insects,

including without limitation, midges and mosquitoes, and/or odors, and may result in nuisances such as dust and noise from maintenance activities.

Water Quality Basins. Portions of the Community may contain water quality basins to filter and remove pollutants from water runoff. One water quality basin is planned to be located in the northeastern portion of the Community, adjacent to the "Commercial Development" defined below. Additional water quality basins may be required in future phases of development. These basins will provide detention and water quality benefits. Storm flows from the Community will flow into the basins where they are held and metered out to the Wash. The basins will also treat low flows, including initial storm flows, to improve water quality. The Master Association will become responsible for the maintenance of the landscaping adjacent to the basins. These basins may fill with water during storm events and may contain water at all times. Mosquitoes (which can carry the West Nile virus) and other insects may breed in the basins. Some of these areas may be fenced and gated; however, Master Developer provides no representations, warranties or assurances that such fences or gates will keep persons or pet from accessing these areas. Entering the any of these areas including fenced and gated areas (except on designated trails (if such trails are built) is prohibited. There is no swimming, hunting or fishing in these water quality basins. During rains and when they hold water, all basins are considered water hazards and should be avoided. Children and pets should be watched closely at all times when these areas contain any amount of water.

Drainage Runoff and Water Quality Management Plan. A Water Quality Management Plan has been developed for Development Phase I to address surface water runoff from residential areas and other improvements. Additional Water Quality Management Plans will be developed for additional Development Phases within Bedford. The Water Quality Management Plans contain certain water quality management practices, known as Best Management Practices ("**BMPs**"), that must be followed by all residents as well as by the Master Association and any Neighborhood Associations. The Water Quality Management Plans and BMPs generally require residents to be mindful of the impacts of drainage runoff on the environment. The BMPs identify measures and practices for controlling runoff from the Community into adjacent areas and storm drains. The BMPs also require implementation of certain maintenance practices by the Master Association for the applicable Development Phase. Compliance by residents with the Water Quality Management Plans and BMPs is important for two reasons. First, violation of these plans or practices may subject residents to penalties not only from the Master Association, but also from any governmental entity that has the right to monitor and enforce compliance with such plans and practices and other applicable laws. Second, violation of these plans and BMPs may result in the imposition of more stringent maintenance requirements on the Master Association, which would likely cause increases in monthly homeowner assessments. The Water Quality Management Plans and associated BMPs may be changed at any time by the Master Developer, individual merchant builders or the applicable governmental entities with jurisdiction over such matters. Changes in such practices and standards could, in turn, cause increases in monthly homeowner assessments beyond what was contemplated in the original Master Budget prepared for the Master Association.

On-Going Development and Construction Activity. The construction and/or sale of Residences in the Community and the Adjacent Property may cause some inconvenience to residents of the Community (e.g., noise and dust from construction traffic, travel delays due to construction traffic and prospective buyers visiting the model complexes and sales offices within the Community and the Adjacent Property. During the development of the Community and the Adjacent Property there will

be significant construction activity which will continue over a period of years, including construction activity from Project Builders in the Community and the developer of the Adjacent Property which may impact the Community. Construction activity may include, without limitation, grading, construction, drilling and excavation work both within and outside of the Community, including without limitation, on-site improvements and off-site improvements/modifications made by Master Developer or Project Builders which may impact you and the Property. The streets within and in the vicinity of the Community will also be subject to construction-related activities, including without limitation, vehicular transportation of building materials, equipment and personnel, ongoing construction, staging, storage and other related activities. All activities described in this Section will present increased traffic as well as dust, dirt, pollution, gasoline (including diesel) fumes, noise and the like. Due to the ongoing development of the Community, public and private infrastructure and utilities in the Community and/or servicing the Property may be temporarily interrupted from time to time and/or adversely affected (e.g., temporarily shutting off utilities to make utility connections). Construction activities within and in the vicinity of the Community may occur seven (7) days a week and at all hours allowed by the applicable Governing Authorities.

Fire Sprinkler System. All Residences within the Community will be constructed with fire sprinklers for fire protection. The fire sprinklers are heat-sensitive and should not be exposed to an open flame. Master Developer is not responsible for any damage to the Property or any of your personal property caused by the activation of the fire sprinkler system.

Reclaimed Water. In its efforts to conserve water, the City Department of Water and Power (“DWP”) requires use of reclaimed water (i.e., treated wastewater) to irrigate certain common area landscaping. In addition, DWP requires use of reclaimed water to irrigate landscaping in many private yards in the Community although the water used in the Residences and outside in any patio and yard areas through hose bibs will be domestic potable water. The water used to irrigate the Master Association Property in the Community, including without limitation street rights-of way, open space, fuel modification areas, trails, slopes and parks, may be reclaimed water. Reclaimed water is not potable and, therefore, not suitable for human consumption. As with any water overspray, repeated spray of reclaimed water may stain or discolor personal property, fencing and structural Improvements over time. Reclaimed water quality standards are established by various governmental regulatory agencies and are subject to change. Master Developer, the Project Builders and their respective employees, consultants and agents are not liable for any property damage or personal injury caused by reclaimed water in the Community.

Electrical Power Lines. Underground electric transmission and distribution lines and transformers owned by Southern California Edison Company (“SCE”) are located in and around the Community. In addition, an electrical substation to be operated by SCE is planned to be located adjacent to the water quality basin and sewer lift station in the northeastern portion of the Community. Power lines and transformers produce extremely low-frequency electromagnetic fields (“ELF-EMF”) when operating. Antennas and other equipment for wireless telecommunications (e.g., cellular phones) are also located in and in the vicinity of the Community. Like all wireless communications facilities, these facilities produce radio-frequency fields (“RF”). Numerous studies of human health and ELF-EMF or RF have been undertaken over many years, and some are ongoing. Some of these studies have reported a possible relationship between ELF-EMF or RF exposure and certain adverse health conditions, while other studies found no such relationships. Additional information about power line ELF-EMF is available on the SCE website at

<https://www.sce.com/wps/portal/home/safety/family/environmental-health/>. Other information about ELF-EMF or RF research can be found at (1) the World Health Organization's International EMF Project website at <http://www.who.int/peh-emf/project/en/> and (2) the U.S. National Institute of Environmental Health Sciences website at <http://www.niehs.nih.gov/health/topics/agents/emf/>.

Natural Hazards

If any disclosure, or any material amendment to any disclosure, required pursuant to 1103 et seq 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 condominium unit 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.

Prior Agricultural Use; Notice of Right to Farm. Prior to residential development of the Community, portions of the Community were used for the cultivation of various citrus fruits. In connection with the agricultural operations, fertilizers, pesticides, weed killers and other agricultural chemicals may have been used in the Community. The Community is presently located within one (1) mile of a parcel of real property designated as "Prime Farmland," "Farmland of Statewide Importance," "Unique Farmland," "Farmland of Local Importance," or "Grazing Land" on the most current county-level GIS "Important Farmland Map" issued by the California Department of Conservation, Division of Land Resource Protection. Accordingly, you are advised as follows:

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 Civil Code or any pertinent local ordinance.

Notice of Mining Operations. The following notice is provided pursuant to California Civil Code Section 1103.4; due to the proximity of Smith Sand and Corona Industrial Sand Project to the Neighborhood:

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 impacts of these practices before you complete your transaction.

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

City and County-Designated Zone Determinations. California law allows cities and counties to establish policies and criteria stricter than those set by the State respecting, but not limited to, the permitting and development of properties found to be in or affected by the certain natural hazards. This information may be used by the local jurisdiction relative to making decisions regarding new development or additional construction. The agencies and jurisdictions which develop the official maps do not necessarily define or delineate hazards in the same way. A site can be in a hazard zone from one source and not in a hazard zone from another source. Properties that are in a mapped geologic hazard zone may require a geologic study prior to any new or additional construction. According to the Natural Hazard Disclosure Statement, all or portions of the Neighborhood lie within the following:

- A County-designated Wildland-Urban Interface area;
- A City mapped area of moderate or high soil slip susceptibility; and
- A City-designated high for metal for corrosive soils hazard area.

Zone X. Subdivider has been informed that all or a portion of the Neighborhood is located within a FEMA-designated Flood Zone X, which is an area of minimal flood risk. These are areas outside the “500” year flood-risk levels.

Very High Fire Hazard Severity Zone (SB-63). Beginning January 1, 2022, California Senate Bill 63 (SB-63) requires, among other things, that the Director of the Department of Forestry and Fire Protection (“**Director**”) identify areas in California as “Moderate,” “High” and “Very High” Fire Hazard Severity Zones. According to the Natural Hazard Disclosure Statement, the Director has not yet released Fire Hazard Severity Zone (FHSZ) maps for those cities and counties that have fire protection responsibility (“Local Responsibility Areas”). Beginning July 1, 2021 California Assembly Bill 38 (AB-38) requires all homes sales in High or Very High Fire Hazard Severity Zones (FHSZ) to be compliant following a Defensible Space Inspection. When an Owner sells property that is located in a high or very high FHSZ, the Owner will need documentation of a compliant Defensible Space Inspection that complies with Section 4291 of the Public Resources Code or local vegetation management ordinances. More information regarding this requirement can be found at Fire Hazard Severity Zones (ca.gov). When the Director releases the new FHSZ maps required by SB-63, the obligations under AB-38 will apply to the Very High and the High FHSZ in the Local Responsibility Areas. Subdivider makes no representations or warranties as to whether the Neighborhood is in a

FHSZ or whether there is any elevated degree of fire hazard risk to the Neighborhood. You are advised to consult with the City, County, other public agencies, and appropriate experts to evaluate the potential risk.

PURCHASERS SHOULD FAMILIARIZE THEMSELVES WITH THE SURROUNDING AREAS OF THE SUBDIVISION BEFORE SIGNING A PURCHASE AGREEMENT/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 condominium unit 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 CC&Rs. In most instances, copies of documents can be provided to you upon request.

Easements: Easements for public utilities, drainage, public water, reclaimed water, sewer, street lights, ingress and egress for service and emergency vehicles and personnel over Lots M and V, and other purposes are shown on the title report and Subdivision Map recorded in Book 472, Pages 41 to 54 of Maps, and Condominium Plan recorded July 21, 2023 as Instrument No. 2023-0211979, both in the Office of the Riverside County Recorder.

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

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

Mineral Rights: You will not own the water, mineral, oil and gas rights under your land below a depth of 500 feet. These have been reserved as per your grant deed.

The right to surface entry has been waived.

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 condominium unit in this Subdivision, the full cash value of the condominium unit will be the valuation as reflected on the tax roll, determined by the county assessor as of the date

of purchase of the condominium unit, or as of the date of completion of an improvement on the condominium unit, 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:

This Subdivision lies within the boundaries of the following assessment districts and is subject to any taxes, assessments and obligations thereof:

This Subdivision lies within the **Corona Community Facilities District No. 2016-1 (Public Services)**, the **Corona Community Facility District No. 2018-1 (Bedford Improvement Area 2)** and are subject to any taxes, assessments and obligations thereof. The Subdivider must provide purchasers with disclosures entitled "Notice of Special Tax" prior to a purchaser entering into a contract to purchase. These Notices contain important information about district functions, purchaser's obligations, right of the districts, and information on how to contact the districts for additional materials. Purchasers should thoroughly understand the information contained in the Notices prior to entering into a contract to purchase. These special taxes appear on the yearly property tax bill and are in addition to the tax rate affecting the property described above in the section entitled "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 purchase agreement/contract by giving written notice of that termination to the owner, Subdivider, or agent selling the property.

Riverside County Service Area 152 Corona Stormwater. This district has been formed to provide for stormwater services. As of the date of this public report, the estimated annual assessment for each residence within this development is approximately \$10.00 per parcel. This assessment will be added to the owner's real property tax bill. The administration of this district will be provided by the Riverside County of Economic Development. Please contact the District for additional information.

Riverside County Flood Control and Water Conservation District/Santa Ana Watershed Benefit Assessment Area (NPDES program). This district has been formed to regulate urban stormwater discharge pursuant to the Federal 1972 & 1987 Clean Water Act. As of the date of this public report, the estimated annual assessment for each residence within this development is approximately \$3.76 per parcel. This assessment will be added to the owner's real property tax bill. The administration of this district will be provided by the Riverside County Flood Control and Water Conservation District/Albert A. Webb Associates. Please contact the District for additional information.

Metropolitan Water District-Standby West. This district has been formed to pay for water standby charges. As of the date of this public report, the estimated annual assessment for each residence within this development is approximately \$9.22 per parcel. This assessment will be added to the owner's real property tax bill. The administration of this district will be provided by Willdan Financial Services. Please contact the District for additional information.

Northwest Mosquito and Vector Control District. This district has been formed to provide mosquito and general vector control pursuant to California Health and Safety and California Government Codes. As of the date of this public report, the estimated annual assessment for each residence within this development is approximately \$10.60 per parcel. This assessment will be added to the owner's real property tax bill. The administration of this district will be provided by SCI Consulting Group. Please contact the District for additional information.

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 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.

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: 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 Business and Professions Code Section 11013.4(b).]

If the escrow has not closed on your 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 NO FINANCIAL INTEREST IN THE ESCROW COMPANY WHICH IS TO BE USED IN CONNECTION WITH THE SALE OR LEASE OF CONDOMINIUM UNITS IN THIS SUBDIVISION.

SOILS AND GEOLOGIC CONDITIONS

Soils, filled ground and geologic information is available at: City of Corona Planning/Building Department, 400 South Vicentia Avenue, Corona, CA. 92882

All lots 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 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.

Streets and Roads: The interior streets within this Subdivision will be maintained by the Master Association. The costs of repair and maintenance of these private streets are included in the Master Budget and are a part of your monthly master assessment.

Schools: This Subdivision lies within the Corona-Norco Unified School District (951) 736-5045. This District advises the schools initially available to this Subdivision are:

Wilson Elementary (Grades K-6)
1750 Spyglass Drive
Corona, CA 92883
(951) 739-5820

El Cerrito Middle School (Grades 6-8)
7610 El Cerrito Road
Corona, CA 92883
(951) 736-3216

Santiago High School (Grades 9-12)
1395 E. Foothill Parkway
Corona, CA 92881-0996
(951) 739-5600

THE DISTRICT HAS ADVISED THAT THE DISTRICT CANNOT GUARANTEE THAT THE ABOVE LISTED SCHOOLS CAN OR WILL CONTINUE TO ACCEPT STUDENT ENROLLMENT FROM THE SUBJECT DEVELOPMENT. If the above schools are at capacity and cannot accept a student from the subject development, the school district will bus the student to the nearest school with room on the same calendar.

This 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 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 of Real Estate, Subdivisions South
320 West 4th Street, Suite 350
Los Angeles, CA 90013-1105
(213) 576-6983**

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 173705LA-F00
[FILE NUMBER]

TRACT 37644 "HARPER AT BEDFORD"

[TRACT NUMBER OR NAME]

PHASE 7

[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:

AUGUST 15, 2023

[DATE ISSUED]

[DATE AMENDED]

AUGUST 14, 2028

[EXPIRATION DATE]

[NAME]

[SIGNATURE]

[ADDRESS]

[DATE]