

**Department of Real Estate
of the
State of California**

In the matter of the application of

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

Final Subdivision Public Report

CONDOMINIUM

File No.: **172067LA-F00**

ISSUED: December 28, 2022

EXPIRES: December 27, 2027

for a Final Subdivision Public Report on

TRACT 82905

"LYRIC" (PHASE 7)

Department of Real Estate

by *Jose Lua*
Signature

JOSE LUA

Printed Name

LOS ANGELES COUNTY, CALIFORNIA

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.

RE 618 (Rev. 7/20)

FILE NO. 172067LA-F00

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 REPORT COVERS ONLY RESIDENTIAL UNITS 49 THROUGH 54 LOCATED ON A PORTION OF LOT 1 OF TRACT NO. 82905.

"LYRIC" ("SUBDIVISION") IS BEING DEVELOPED BY TAYLOR MORRISON OF CALIFORNIA, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY ("SUBDIVIDER").

SPECIAL INTEREST AREAS IN THIS FINAL SUBDIVISION REPORT: YOUR ATTENTION IS ESPECIALLY DIRECTED TO THE PARAGRAPH(S) BELOW ENTITLED: MAINTENANCE AND OPERATIONAL EXPENSES, USES/ZONING/HAZARD DISCLOSURES, TAXES, AND SCHOOLS.

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.

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.

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.

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 Whittier Boulevard and Jordan Road within the city limits of Whittier, CA. 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 an incorporated association.

Interests to Be Conveyed:

You will receive fee title to a unit, an undivided fractional fee interest as a tenant in common in the Condominium Common Area together with a membership in the Lyric Community Association ("Association") and rights to use the Association Property.

About This Phase:

This is the seventh phase which consists of approximately .426 acres on which 2 buildings containing 6 units and 6 garages. A total of 29 guest parking spaces, including 3 handicap spaces, will be constructed within the subdivision on a portion of Lot 1 of Tract 82905.

Common amenities and/or facilities consisting of landscaping, paved surfaces, patios, porches, decks and deck railings, walls, fences, gates, lighting, a picnic table will be constructed on a portion of Lot 1. The estimated completion date is July 2023.

This phase is part of a total Subdivision which, if developed as proposed, will consist of a total of 8 phases containing 54 units within the overall projected Subdivision.

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 units.

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 LOTS 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 Common Area:

The Subdivider estimates all common areas in this phase will be completed by approximately July 2023.

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 in this phase.

This is a phased Subdivision on one lot.

The Subdivider of this Subdivision has not furnished any financial guarantees that any residential units other than those in Phase 7 will be completed.

If the Subdivider does not complete the remaining residential units in exact accordance with the recorded condominium plan, the interest your purchase in this Subdivision may not be qualified for refinancing which would make the unit you purchase unmarketable.

Prior to entering into a purchase agreement/contract, you should consult an attorney for advice.

The Subdivider advises that each purchaser and the Association will receive fee title endorsement insuring him/her against future mechanics liens which may be incurred in the construction of units in the additional phases of this one lot Subdivision. The title endorsement provides that the total liability of the title company is limited to the face amount of the title policy only. The insurance will contain the following endorsement:

“The Company hereby insures the insured against loss or damage which the insured shall sustain by reason of:

any statutory lien for labor or materials attaching to the Land, arising out any work of improvement under construction or completed at the date of policy as to the

condominium building in which the insured's separate unit is located, and/or by reason of statutory lien for labor or materials attaching to the Land arising out of any work of improvement within Lot 1 of Tract No. 82905 whether such improvements have been completed, are under construction or are to be constructed after the Policy Date."

Should the owner of a unit in this Subdivision sell his/her unit to another purchaser prior to the completion of the final phases, he/she should inform the new purchaser that a special future mechanic lien endorsement should be obtained from their title insurance company.

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:

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

Initial Meeting: THE ASSOCIATION WILL BE FORMED PURSUANT TO THE TERMS AND PROVISIONS OF GOVERNING DOCUMENTS. SINCE THE COMMON AREA IMPROVEMENTS, AMENITIES AND FACILITIES WILL BE MAINTAINED BY THE ASSOCIATION, IT IS ESSENTIAL THAT THIS ASSOCIATION BE FORMED EARLY AND PROPERLY. THE ASSOCIATION MUST HOLD THE FIRST MEMBERSHIP MEETING AND ELECTION OF THE ASSOCIATION'S GOVERNING BODY WITHIN SIX MONTHS AFTER THE CLOSING OF THE SALE OF THE FIRST SUBDIVISION INTEREST UNDER THE FIRST FINAL PUBLIC REPORT FOR THE SUBDIVISION. (REGULATIONS 2792.17 AND 2792.19) THE ASSOCIATION MUST ALSO PREPARE AND DISTRIBUTE TO ALL HOMEOWNERS A BALANCE SHEET AND INCOME STATEMENT. THEREAFTER THE ASSOCIATION MUST HOLD ELECTIONS OF THE ASSOCIATION'S GOVERNING BODY IN ACCORDANCE WITH THE GOVERNING DOCUMENTS. THE ASSOCIATION MUST THEN ALSO PREPARE AND DISTRIBUTE TO ALL HOMEOWNERS A BALANCE SHEET AND INCOME STATEMENT AND A SUMMARY OF THE ASSOCIATION'S RESERVES BASED UPON THE MOST RECENT REVIEW OR STUDY CONDUCTED PURSUANT TO SECTION 5500 ET SEQ OF THE CIVIL CODE.

The CC&Rs: This Subdivision is subject to the Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for Lyric ("CC&R's") recorded August 18, 2022 as Instrument No. 20220826822 and the Supplemental Declaration and Notice of Addition for this phase recorded December 1, 2022 as Instrument No. 20221124590, both in the Office of the Los Angeles County Recorder, as the same may be modified or amended.

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

Private Street Agreement. Lyric is served by private streets located on Lot 1 of Tract No. 82905 (collectively, the "**Private Streets**"). The Subdivider has entered into a Private Street Maintenance and Use Agreement for Lyric ("**Street Agreement**") with the Association in order to provide for the maintenance and use of the private streets located within the Subdivision. The Subdivider anticipates the Private Streets will be conveyed to the Association in increments starting in May 2023 and ending in June 2023.

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 [HTTP://WWW.GOSOLARCALIFORNIA.CA.GOV/](http://www.gosolarcalifornia.ca.gov/).

Documents to be Furnished:

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

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

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

THE SUBDIVIDER SHALL MAKE A COPY OF THE ARTICLES, BYLAWS AND THE CC&RS 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:

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

Proposed Budgets. The Subdivider has submitted proposed budgets for the management, maintenance and operation of the Association's obligations and for long-term reserves when the community is substantially completed (built-out budget) and an interim budget applicable to this phase. These budgets were reviewed by the DRE in June 2022. You should obtain a copy of these budgets from the Subdivider.

Under the built-out budget, the monthly assessment against each condominium unit will be \$274.04. The Association may or may not elect to use this budget when additional phases are annexed. Under the interim budget, the monthly assessment per unit will be \$256.17. Of these amounts, the monthly contributions toward long-term reserves, which are not to be used to pay for current operating expenses are \$116.33 (built-out) and \$106.47 (interim).

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 Association's obligations until the Subdivision is completed at which time it may be anticipated that assessments will be adjusted.

IF THE BUDGET FURNISHED TO YOU BY THE SUBDIVIDER SHOWS A MONTHLY ASSESSMENT FIGURE WHICH IS AT LEAST 20% MORE OR AT LEAST 10% LESS THAN THE ASSESSMENT AMOUNT SHOWN IN THIS PUBLIC REPORT, YOU SHOULD CONTACT THE DEPARTMENT OF REAL ESTATE BEFORE ENTERING INTO AN AGREEMENT TO PURCHASE.

NOTE: EXPENSES OF OPERATIONS ARE DIFFICULT TO PREDICT, AND EVEN IF ACCURATELY ESTIMATED INITIALLY, MOST EXPENSES INCREASE WITH THE AGE OF FACILITIES AND WITH INCREASES IN THE COST OF LIVING.

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

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

In addition to other documentation provided to each prospective Buyer, a copy of the current financial information, and related statements, to the extent available, as specified by Section (b) of Civil Code Section 5300 must be made available for examination by a prospective Buyer before the execution of an offer to purchase a Lot. A copy of this financial information must also be given to each Buyer as soon as practicable before close of escrow. YOU SHOULD PAY SPECIAL ATTENTION TO THIS FINANCIAL INFORMATION, AS IT PERTAINS TO CURRENT AND POSSIBLE FUTURE FINANCIAL OBLIGATIONS AFFECTING ALL HOMEOWNERS WITHIN THE SUBDIVISION ASSOCIATION. If you do not understand the contents of these financial documents, you may wish to consult with your own professional advisors. Should the amounts collected by the Association prove insufficient to properly

maintain, operate, repair or replace the common facilities, the Association may increase Regular Assessments or levy one or more Special Assessments in accordance with the Governing Documents in order to provide such funding, which may affect your ability to purchase, or, as an alternative, the Association may decide to defer maintenance or eliminate services.

Utility Rates: The utility 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 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 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 Association for all unsold condominium units in this phase (Regulations 2792.9 and 2792.16).

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

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

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

Zoning

North: Commercial
South: School
East: Commercial
West: Commercial/Residential

Uses

Jordan Elementary School- located just south of the project
Whittier Christian High School- less than 1 mile southeast of the project
Leffingwell Elementary School - less than 1 mile west of the project
Walnut Elementary School – approx. 1.63 miles west of the project
La Habra High School - approx. 1.31 miles east of the project
Whittwood Town Center – less than 1 mile northwest of the project
La Bonita Park – approx. 1.12 miles west of the project
Fullerton Municipal Airport – 6.5 miles from the project

Los Angeles County Fire Station No. 15 – approximately 1.4 miles southwest of the project;
Los Angeles County Fire Station No. 59 – approximately 1.5 miles northwest of the project;
Los Angeles County Fire Station No. 20- approximately 1.6 miles northeast of the project.

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

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

Prior Use. The Subdivision (the “Site”) was previously developed with an agricultural area and several commercial buildings, including a nursery. An Environmental Site Assessment for the Subdivision identified the following recognized environmental conditions for the Site: (a) the historical agricultural use at the Site, (b) the operation of a dry cleaner on property adjacent to the west of the Site, and (c) a release of refrigerant (Freon) from underground lines beneath a former restaurant that was located on the Site. In connection with site preparation activities, certain environmental assessment activities were performed on portions of the Subdivision which disclosed the presence of certain volatile organic compounds (VOCs) in several locations that exceeded the residential screening limits. Multiple mitigation measures were imposed to remove contaminated soil and other improvements, and the County and other authorities have confirmed that all mitigation measures have been completed to permit the construction of the Condominium Buildings and the entire Subdivision.

Prior Agricultural Use. As indicated above, the Subdivision is located on lands that were previously used for agricultural purposes, including an orchard and a nursery. By reason of such agricultural use, Owner may be subject to dust, noise and odors and may be exposed to pesticides, herbicides, insecticides and other chemicals. In addition, the former farming

operations may have caused an accumulation of manure and other organic matters, which was incorporated into the fill soil used in the Community. The decomposition of the accumulated organic matter in the soil may produce underground methane gas. This condition is not unusual and commonly exists in many areas in the City that were previously used for agricultural purpose.

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. Owners are advised to consult with the City, County, other public agencies, and appropriate experts to evaluate the potential risk.

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 Condominium or the Subdivision. 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. 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. Owners should consult an insurance professional for additional information about the costs and availability of insurance for the Condominium.

La Mirada Creek. The Subdivision is located in close vicinity to the La Mirada Creek. The creek is a potential hazard and Owners should exercise caution. During periods of heavy rain, water and debris may accumulate in the creek. Children and pets around the creek must be closely watched to prevent accidental drowning and other injuries. The creek may also contribute to the propagation of mosquitoes, other pests and odors in the Subdivision. It is Owner's sole responsibility to control or otherwise abate the impact of mosquitoes and mosquito bites. Subdivider does not represent or guarantee the safety of any person from mosquito bites. Owners and other residents are advised to keep children and animals away from the creek at all times.

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, alley, sanitary sewers and drainage, water rights, claims or title to water, public rights within any road, street, alley or highway, and incidental purposes are shown on the title report and Subdivision Map recorded in Map Book 1433, Pages 79 through 82, and the Condominium Plan for this phase recorded December 1, 2022 as Instrument No. 20221122906, both in the Office of the Los Angeles County Recorder.

A Private Street Access and Maintenance Easement Deed in favor of the Association for vehicular and pedestrian access, and for vehicle parking over the private streets located on a portion of Lot 1 of Tract 82095 recorded August 18, 2022 as Instrument No. 2022082 in the Office of the Los Angeles County Recorder.

Amendments or adjustments to the original Subdivision map and 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.

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 are subject to any taxes, assessments and obligations thereof:

Los Angeles County Department of Health Services – Trauma, Emergency and Bioterrorism Response Assessment (TEBRA). This District was formed to provide funding for County-wide system of trauma centers, emergency medical services and bioterrorism response. As of the date of this Public Report it is anticipated the projected assessment for each residential unit within this Subdivision will be \$59.36 - \$83.53 per unit. This assessment is calculated by taking \$0.0424 multiplied by the building square footage. The administration of this District will be provided by Los Angeles County Department of Health Services.

Greater Los Angeles County Vector Control District. This District was formed to pay for the flood control programs and services. As of the date of this Public Report it is anticipated the projected assessment for each residential unit within this Subdivision will be \$12.79 per unit. The administration of this District will be provided by the Greater Los Angeles County Vector Control District.

Los Angeles County Flood Control District. This District was formed to pay for the flood control programs and services. As of the date of this Public Report it is anticipated the projected assessment for each residential unit within this Subdivision will be \$18.00 per unit. The administration of this District will be provided by the Los Angeles County Department of Public Works.

Los Angeles County Sanitation District No. 18 – Sewer Service Charge. This District was formed to provide funding for sanitation district charges. As of the date of this Public Report it is anticipated the projected assessment for each residential unit within this Subdivision will be \$136.50 per unit. The administration of this District will be provided by the Los Angeles County Sanitation District.

City of Whittier – Sewer User Fee. This District was formed to pay for the operation, maintenance and capital improvements of the City's sewer system. As of the date of this Public Report it is anticipated the projected assessment for each residential unit within this Subdivision will be \$290.10 per unit. The administration of this District will be provided by the City of Whittier Public Works.

Los Angeles County Fire Department – Special Tax. This District was formed to pay for fire suppression and emergency medical services. As of the date of this Public Report it is anticipated the projected assessment for each residential unit within this Subdivision will be \$71.50 per unit. This amount is subject to increase annually by 2% or percentage change in CPI, whichever is less. The administration of this District will be provided by the Los Angeles County Fire Department.

Metropolitan Water District-Water Standby Charge No. 13. This District was formed to pay for water standby projects and services. As of the date of this Public Report it is anticipated the projected assessment for each residential unit within this Subdivision will be \$10.00 per unit. The administration of this District will be provided by the Willdan Financial Services.

Central Basin Municipal Water District-Water Standby Charge. This District was formed to pay for water standby projects and services. As of the date of this Public Report it is anticipated the projected assessment for each residential unit within this Subdivision will be \$10.44 per unit. The administration of this District will be provided by the Central Basin Municipal Water District.

Los Angeles County Regional Park and Open Space District (Measure A). This District was formed to provide funding for park facilities and improvements throughout the county. As of the date of this Public Report it is anticipated the projected assessment for each residential unit within this Subdivision will be \$22.40 - \$31.52 (estimate) per unit. ***Amounts are calculated based on \$0.016 per sq. ft. multiplied by a home square footage range of 1,400 - 1,970 sq. ft.** The administration of this District will be provided by the Los Angeles County Park and Open Space District.

Los Angeles County Flood Control District – Safe, Clean Water Program (Measure W). This District was formed to provide funds for improving/ protecting water quality; capturing rain/ stormwater to increase safe drinking water supplies and prepare for future drought; protecting public health and marine life by reducing pollution, trash, toxins/plastics entering Los Angeles County waterways/bays/beaches. As of the date of this Public Report it is anticipated the projected assessment for each residential unit within this Subdivision will be \$40.00 per unit (estimate). ***The amounts are calculated based on \$0.025 per square foot multiplied by the average impermeable area of 1,575 sq. ft.** The administration of this District will be provided by the Los Angeles County Department of Public Works.

FINANCING

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

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

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

Due-on-Sale Clause: If the loan instrument for financing your purchase of a 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.

PURCHASE MONEY HANDLING

The Subdivider must impound all funds (purchase money) received from you in an escrow depository until legal title is delivered to you, except for such amount as the subdivider has covered by furnishing a bond to the State of California. [Refer to Business and Professions Code Sections 11013.4 and 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: The City of Whittier – Community Development Department, 13230 Penn Street, 2nd Floor, Whittier, CA 90602. All lots will contain filled ground

CALIFORNIA IS SUBJECT TO GEOLOGIC HAZARDS SUCH AS LANDSLIDES, FAULT MOVEMENTS, EARTHQUAKE SHAKING, RAPID EROSION OR SUBSIDENCE. THE UNIFORM BUILDING CODE, APPENDIX CHAPTER 33, PROVIDES FOR LOCAL BUILDING OFFICIALS TO EXERCISE PREVENTIVE MEASURES DURING GRADING TO ELIMINATE OR MINIMIZE DAMAGE FROM SUCH GEOLOGIC HAZARDS. THIS 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 private streets within this Subdivision will be maintained by the Association. The costs of repair and maintenance of these private streets are included in the budget and are a part of your regular assessment.

Access Easement. A Private Street Access and Maintenance Easement Deed for vehicular and pedestrian access, and for vehicle parking over the private streets located on a portion of Lot 1 recorded August 18, 2022 as Instrument No. 20220826823 in the Office of the Los Angeles County Recorder.

Schools: This Subdivision lies within the Lowell Joint School District and the Fullerton Joint Union High School District. These Districts advise the schools initially available to this Subdivision are:

Jordan Elementary School (Grades TK – 6)
10654 Jordan Road
Whittier, CA. 90603

Alternate Elementary Schools:

El Portal Elementary School
200 Nada Street
La Habra, CA. 90631

Macy Elementary School
2301 Russell Street
La Habra, CA 90631

Meadow Green Elementary School
12025 Grovedale Drive
Whittier, CA 90604

Olita Elementary School
950 Briercliff Drive
La Habra, CA 90631

Rancho Starbuck (Grades 7-8)
16430 Woodbrier Drive
Whittier, CA 90604

La Habra High School (Grades 9-12)
801 Highlander Avenue
La Habra, CA 90631

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 172067LA-F00
[FILE NUMBER]

TRACT 82905 "LYRIC"

[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:

DECEMBER 28, 2022

[DATE ISSUED]

[DATE AMENDED]

DECEMBER 27, 2027

[EXPIRATION DATE]

[NAME]

[SIGNATURE]

[ADDRESS]

[DATE]