

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

**FINAL SUBDIVISION PUBLIC REPORT
PLANNED DEVELOPMENT**

In the matter of the application of

**TAYLOR MORRISON OF CALIFORNIA, LLC,
A CALIFORNIA LIMITED LIABILITY COMPANY**

FILE NO.: 162496LA-FOO

ISSUED: DECEMBER 2, 2020

EXPIRES: DECEMBER 1, 2025

for a Final Subdivision Public Report on

TRACT NO. 18065

**"MARIPOSA AT PARK PLACE"
PHASE 6**

SAN BERNARDINO COUNTY, CALIFORNIA

DEPARTMENT OF REAL ESTATE

by



Signature

KIM C. BANFAL

Printed Name

CONSUMER INFORMATION

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

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

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

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

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

COMMON INTEREST DEVELOPMENT GENERAL INFORMATION

Common Interest Development

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

Governing Instruments

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

Assessments

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

Common Facilities

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

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

Subdivider Control

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

Cooperative Living

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

Informational Brochure

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

THIS REPORT COVERS PHASE 6 OF MARIPOSA AT PARK PLACE ("MARIPOSA") WHICH CONSISTS OF RESIDENTIAL LOTS 35 THROUGH 40, AND MASTER COMMON PROPERTY LOT H, ALL OF TRACT NO. 18065. MARIPOSA IS BEING DEVELOPED BY TAYLOR MORRISON OF CALIFORNIA, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, (THE "NEIGHBORHOOD BUILDER" OR "SUBDIVIDER"). MARIPOSA IS A PART OF THE OVERALL MASTER PLANNED COMMUNITY KNOWN AS PARK PLACE ("PARK PLACE"). PARK PLACE IS BEING DEVELOPED BY SL ONTARIO DEVELOPMENT COMPANY, LLC, A DELAWARE LIMITED LIABILITY COMPANY (THE "MASTER DEVELOPER").

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

NOTE: IN ADDITION TO THESE AREAS, IT IS IMPORTANT TO READ AND THOROUGHLY UNDERSTAND THE REMAINING SECTIONS SET FORTH IN THIS FINAL SUBDIVISION PUBLIC REPORT PRIOR TO ENTERING INTO A CONTRACT TO PURCHASE.

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

PRELIMINARY SUBDIVISION PUBLIC REPORT: IF YOU RECEIVED A PRELIMINARY SUBDIVISION PUBLIC REPORT FOR MARIPOSA YOU ARE ADVISED TO CAREFULLY READ THIS 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**" HEREIN SHALL MEAN AND REFER TO THIS FINAL PUBLIC REPORT.

OVERVIEW OF SUBDIVISION

Location: Mariposa is located at Park Place Avenue and Eucalyptus Avenue within the city limits of Ontario, 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 planned development. It includes common areas and common facilities which will be maintained by the Master Association.

Interests to Be Conveyed: You will receive fee title to a specified lot, together with a membership in the Park Place Master Community Association ("Master Association") and rights to use the Master Common Area.

About This Phase: This public report is for the sixth phase which consists of approximately .603 acres divided into 6 lots in addition to Master common area consisting of landscaping located on Lot H.

This phase is part of a total subdivision which, if developed as proposed, will consist of a total of 12 phases containing 67 lots within the overall projected subdivision. The estimated completion date of the project is June 2021.

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

FUTURE DEVELOPMENT OF THE SUBDIVISION CANNOT BE PREDICTED WITH ACCURACY. THE NEIGHBORHOOD BUILDER 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.

OVERVIEW OF PARK PLACE

PARK PLACE, WHICH IS LOCATED IN THE CITY OF ONTARIO (THE "**CITY**"), COUNTY OF SAN BERNARDINO (THE "**COUNTY**"), IS A MASTER PLANNED DEVELOPMENT WHICH INCLUDES RECREATIONAL AND OPEN SPACE. PARK PLACE INCLUDES APPROXIMATELY 273 ACRES AND WHEN COMPLETED IS PROPOSED TO INCLUDE AS MANY AS 1,423 RESIDENCES.

PARK PLACE IS ANTICIPATED TO BE DEVELOPED BY THE MASTER DEVELOPER AND VARIOUS NEIGHBORHOOD BUILDERS IN A SERIES OF PHASES. THE MASTER DEVELOPER HAS CONSTRUCTED THE PARKHOUSE WHICH IS TO BE OWNED AND MAINTAINED BY THE MASTER ASSOCIATION. THE PARKHOUSE IS A RECREATIONAL FACILITY THAT INCLUDES A RECREATION BUILDING, POOL, SPA, TENNIS COURTS, TOT LOT, AND PICNIC AREAS. IN ADDITION TO THE PARKHOUSE THE MASTER DEVELOPER IS PLANNING TO CONSTRUCT ADDITIONAL MASTER COMMON AREA AND MASTER MAINTENANCE AREAS WHICH ARE PLANNED TO CONSIST OF PARKS, POCKET PARKS, STREETSCAPES, LANDSCAPING, ENTRY MONUMENTS, TRAILS, WALLS AND FENCES, AND SOME PRIVATE ALLEYS ("**FACILITIES**").

THE MASTER DEVELOPER AND THE MASTER ASSOCIATION HAVE ENTERED INTO AN EASEMENT AND USE AGREEMENT ("**AGREEMENT**") WHICH ALLOWS FOR THE USE OF THE PARKHOUSE BY THE MASTER DEVELOPER. THE AGREEMENT WILL CREATE EXCLUSIVE EASEMENTS IN FAVOR OF THE MASTER

DEVELOPER FOR THE USE OF THE COVERED IMPROVEMENTS, AS DESCRIBED IN THE AGREEMENT, FOR SALES PURPOSES. THE MASTER DEVELOPER WILL BE OBLIGATED TO REIMBURSE THE MASTER ASSOCIATION FOR THE COST OF MAINTENANCE AND REPAIR OF THE PORTION OF THE PARKHOUSE IN WHICH THE COVERED IMPROVEMENTS ARE LOCATED.

THERE IS NO ASSURANCE THAT ANY PORTION OF PARK PLACE, INCLUDING ANY FACILITIES, WILL BE DEVELOPED OR COMPLETED AS PROPOSED AND AS DESCRIBED IN THIS PUBLIC REPORT.

FUTURE DEVELOPMENT OF PARK PLACE CANNOT BE PREDICTED WITH ACCURACY. THE MASTER DEVELOPER AND NEIGHBORHOOD BUILDERS HAVE 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 PARK PLACE WILL BE BUILT AS CURRENTLY PLANNED, OR PURSUANT TO ANY PARTICULAR BUILD-OUT SCHEDULE. TOPOGRAPHICAL MAPS IN THE SALES OFFICES, LOT PLOTTING MAPS, MAPS OFFERED BY THE MASTER DEVELOPER AND/OR NEIGHBORHOOD BUILDER AND OTHER FORMS SHOWING "COMPLETE" SUBDIVISION PROJECTIONS DO NOT NECESSARILY COMMIT THE MASTER DEVELOPER AND/OR NEIGHBORHOOD BUILDER TO COMPLETE PARK PLACE OR, IF COMPLETED, TO COMPLETE PARK PLACE AS SHOWN. THE MASTER DEVELOPER AND/OR NEIGHBORHOOD BUILDER MAY SELL AT ANY TIME, ALL OR ANY PORTION OF THE LOTS OR CONDOMINIUM UNITS WITHIN PARK PLACE TO ANY THIRD PARTY, INCLUDING OTHER DEVELOPERS OR BUILDERS.

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

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

NOTE: WHEN YOU SELL YOUR LOT TO SOMEONE ELSE, YOU MUST GIVE THAT PERSON A COPY OF THE DECLARATION OF RESTRICTIONS, ARTICLES OF INCORPORATION, THE BYLAWS AND A TRUE STATEMENT CONCERNING ANY

DELINQUENT ASSESSMENTS, PENALTIES, ATTORNEYS FEES OR OTHER CHARGES, PROVIDED BY THE RESTRICTIONS OR OTHER MANAGEMENT DOCUMENTS ON THE LOT THE DATE THE STATEMENT WAS ISSUED.

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

Completion of Master Common Area:

Subdivider has posted a bond acceptable to the DRE in the amount of \$94,728.00. to assure completion of the streets described in the Planned Construction Statement attached to the security instrument. The estimated completion date for these improvements is May 2020.

Subdivider has posted a bond acceptable to the DRE in the amount of \$161,340. to assure completion of Association Property improvements located on Lot A of Tract 18065 and described in the Planned Construction Statement attached to the security instrument. The estimated completion date for these improvements is August 2021.

The subdivider estimates all common facilities in this phase will be completed by approximately November 2020.

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 of this subdivision.

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

MANAGEMENT AND OPERATION

Master Association Obligations and Governing Documents: Mariposa will be subject to the jurisdiction of the Park Place Master Community Association (the “**Master Association**”).

The Master Association will own and/or maintain and manage certain Master Common Area as set forth in the First Amended and Restated Master Declaration of Covenants, Conditions, Restrictions and Reservations of Easements for Park Place (“**Master Declaration**”) and any Supplemental Master Declaration of Covenants, Conditions, Restrictions and Reservations of Easements for Park Place (“**Master Supplemental Declaration**”) recorded against Mariposa.

In addition, the Master Association has the right to adopt rules and regulations and guidelines for Park Place and which will include Park Place design/architectural guidelines which will set

forth the guidelines and procedures for design/architectural review within Park Place. There may also be supplementary declarations or notices of annexation ("**Supplementary Declarations**") which will be recorded against portions of the subdivision which may set forth additional restrictions and easements covering the areas covered by the Supplementary Declaration(s) (the Master Declaration, Bylaws, Articles, Supplemental Master 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.

Existing 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: Mariposa is subject to the First Amended and Restated Community Declaration recorded on July 25, 2014, as Instrument No. 2014-0268632; the Declaration of Annexation to Master Declaration (Lots 1 and 2 and Lots A through D of Tract Map 18913 and Lot 1 and Lots A through D of Tract Map No. 18913-5) recorded September 5, 2018 as Instrument No. 2018-0329249; the Supplemental Master Declaration for this phase recorded November 13, 2020 as Instrument No. 2020-0455046, and the Declaration of Covenants Conditions and Restrictions Establishing Solar Shading Restrictions recorded March 30, 2020 as Instrument No. 2020-0110622, as all may be amended from time to time and all recorded in the Office of the San Bernardino County Recorder.

Residential Solar Energy Program:

Residences may be constructed with a roof-top solar array and other equipment that converts solar energy to electricity (each a "System"). The System might be either (1) for you to purchase and own at a cost that is included in, or added to, the price of the home, or (2) owned by others for you to use under a long-term Power Purchase Agreement ("PPA") with monthly payments. 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 associated with the system; (5) who is responsible for removing the System for roof repairs and (if applicable) at the end of your Solar 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/>.

FOR INFORMATION AS TO YOUR OBLIGATIONS AND RIGHTS, YOU SHOULD READ THE MASTER ASSOCIATION GOVERNING DOCUMENTS. THE NEIGHBORHOOD BUILDER MUST MAKE THEM AVAILABLE TO YOU.

DOCUMENTS TO BE FURNISHED: THE NEIGHBORHOOD BUILDER STATED THAT HE 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 NEIGHBORHOOD BUILDER 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 AND SECTION 4800 OF THE CIVIL CODE).

THE NEIGHBORHOOD BUILDER SHALL MAKE A COPY OF THE ARTICLES, THE BYLAWS, AND THE MASTER DECLARATION AVAILABLE FOR EXAMINATION BY A PROSPECTIVE BUYER BEFORE EXECUTION OF AN OFFER TO PURCHASE A LOT. A COPY OF EACH MUST ALSO BE GIVEN TO EACH BUYER AS SOON AS PRACTICABLE BEFORE CLOSE OF ESCROW. THESE DOCUMENTS CONTAIN NUMEROUS MATERIAL PROVISIONS THAT SUBSTANTIALLY AFFECT AND CONTROL YOUR RIGHTS, PRIVILEGES, USE, OBLIGATIONS, AND COSTS OF MAINTENANCE AND OPERATION. YOU SHOULD READ AND UNDERSTAND THESE DOCUMENTS BEFORE YOU OBLIGATE YOURSELF TO PURCHASE A LOT (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 management, maintenance and operation of the common use 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 meetings of the Master Association, as described above.

Proposed Budgets

The Master Developer has submitted budgets for the management, maintenance and operation of the Association obligations and for long-term reserves when Park Place is substantially completed (built-out budget) and interim budgets applicable to these phases. These budgets were reviewed by the DRE in September 2020. You should obtain copies of these budgets from the Neighborhood Builder.

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

As Park Place is developed and additional phases of Park Place become subject to assessment, the level of monthly assessments in existing phases of Park Place may increase or decrease, subject to the limitations in the Master Declaration or Bylaws. Under the interim budget on file with the Department of Real Estate, the range of monthly assessments during the development period will be between \$120.00 and \$142.00. Of these amounts, the monthly contributions toward long-term reserves, which are not to be used to pay for current management, maintenance and operating expenses will be between \$24.92 and \$26.32.

According to the Master Developer, assessments under the interim budget should be sufficient for management, maintenance and operation of the Master Association's obligations until Park Place is substantially completed at which time it may be anticipated that assessments will be adjusted. Prior to the close of escrow for the sale of your lot, the Neighborhood Builder 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 NEIGHBORHOOD BUILDER 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 AN AGREEMENT TO PURCHASE.

UNTIL PARK PLACE IS COMPLETELY SOLD OUT, THE BUDGETS ARE SUBJECT TO REVIEW BY THE DRE EVERY TWENTY-FOUR (24) MONTHS AT WHICH TIME THE PROPOSED MONTHLY ASSESSMENT AMOUNTS AS WELL AS THE PROPOSED BUILT-OUT ASSESSMENT AMOUNTS ARE SUBJECT TO CHANGE.

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

BUDGET INFORMATION PROVIDED BY NEIGHBORHOOD BUILDER: DELINQUENCIES IN THE PAYMENT OF MASTER ASSOCIATION ASSESSMENTS AFFECT THE ABILITY OF THE MASTER 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 MASTER ASSOCIATION SERVICES. THE NEIGHBORHOOD BUILDER MUST IMMEDIATELY NOTIFY THE DEPARTMENT OF REAL ESTATE IN WRITING, IF DELINQUENT ASSESSMENTS HAVE CAUSED THE MASTER ASSOCIATION TO RECEIVE TEN PERCENT (10%) LESS INCOME THAN REFLECTED IN THE THEN CURRENT MASTER ASSOCIATION BUDGET (REGULATION 2800K).

THE NEIGHBORHOOD BUILDER 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 MASTER 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 Master Association prove insufficient to properly maintain, operate, repair or replace the common facilities, the Master 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 Master 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.

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

Commencement of Assessments: Regular assessments for the Master Association will commence on all lots in this phase on the first day of the month immediately following the conveyance of the first subdivision lot in the phase. The Neighborhood Builder must pay assessments to the Master Association for all unsold lots 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 Governing Documents. These remedies are available against the Neighborhood Builder as well as against other owners.

Neighborhood Builder's Assessment Security: The Neighborhood Builder has posted a bond as partial security for the obligation to pay these assessments. The governing body of the Master Association should assure itself that the Neighborhood Builder 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.

ZONING/ USES/HAZARD DISCLOSURES

The Master Developer and Neighborhood Builders have 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 Park Place and all existing, proposed or possible future uses adjacent to or in the vicinity of Park Place. At the time this public report was issued, some of the land uses that surround Park Place include, but are not limited to, the following:

ZONING:

North and South:	Vacant/Agricultural/Future residential
East and West::	Vacant/Agricultural

Notice of Airport in Vicinity: This property is presently located in the vicinity of an airport, within what is known as an airport influence area. For that reason, the property may be subject to some of the annoyances or inconveniences associated with proximity to airport operations (for example: noise, vibration, or odors). Individual sensitivities to those annoyances can vary from person to person. You may wish to consider what airport annoyances, if any, are associated with the property before you complete your purchase and determine whether they are acceptable to you.

Business and Professions Code Section 11010(b)(13)(B) provides an "airport influence area", also known as "airport referral area", is the area in which current or future airport-related noise, over flight, safety, or airspace protection factors may significantly affect land uses or necessitate restrictions on those uses as determined by an airport land use commission.

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 Neighborhood Builder or the Neighborhood Builder's agent.

SIGNIFICANT PROPERTY USES:

The Master Developer and Neighborhood Builder advise that prior to the issuance of this Public Report, the following significant property uses exist within or near Park Place. For more information in regard to these property uses, you are advised to read the Park Place Community & Contiguous Area Disclosure Statement ("**Park Place Disclosure Statement**") and any additional property use disclosure information as provided by the Neighborhood Builder.

Celebration Park South – less than 1 mile south

Two B Dairy – less than 1 mile east

Colony High School – 2 ¼ miles northeast

Parks. Celebration Park South is a completed, multi-acre public park located on the south side of Merrill Avenue. The Community is planned to have a second multi-acre public park (Celebration Park North) to be located on the north side of Merrill Avenue, and a number of small private, pocket parks are incorporated into certain neighborhoods constructed by the Neighborhood Builders. Celebration Park North is currently planned to be jointly used by the planned, adjoining elementary school. Both of the public parks will be maintained by the City and open to the public. Residents living in the vicinity of all parks may be impacted by noise, traffic and lights, at all hours of the day and night.

The Park House Community Recreation Center. The Park House is a private recreation center that has been constructed to serve all residents of the Community, and that is owned and maintained by the Master Association (described below). The Park House includes a building housing an information center, café, fitness center and multi-purpose and game rooms, with a swimming pool, cabanas, tennis court, basketball courts, barbeque area, dog park and a tot lot. Currently the Park House information center is open to the public up to seven days per weeks. The information center will be operated at the discretion of the Master Developer during the period that new homes in the Community are being developed and sold.

School. Subject to approval by the State of California Department of Education and the Mountain View School District in Ontario, an elementary school for kindergarten through fifth grade is currently planned for construction on the southwest corner of the intersection of Celebration Avenue and Parkview Street. If completed as planned, the school will be part of the Mountain View School District in Ontario. Joint school and park facilities are also envisioned adjacent to the elementary school.

Farming and Other Uses. The Community is located on lands that were previously used for agricultural purposes (including cattle grazing and growing crops), and near lands that are currently being used for agricultural purposes. In addition, cattle, dairy cows, horses and other livestock are currently kept in the vicinity of the Community. Because of such agricultural use

and animals, residents within the Community may be impacted by flies and other insects, smoke, operation of machinery (including aircraft and machinery operations in the early morning hours and on weekends), truck operations including loading and unloading in early morning hours and on weekends, dairy wash ponds, crop dusting, storage and disposal of manure, rodents, dust, dirt, agricultural debris, noise and intense odors, and may be exposed to pesticides, herbicides, insecticides and other chemicals. On some days such impacts are more pronounced and visible than on other days.

Airport Proximity Notice. According to internet mapping services, the Community is located within the approximate distances of the airports listed below, measured in a straight line:

Chino Airport 2 miles

Ontario International Airport 4 miles

Corona Municipal Airport 7 miles

Riverside Municipal Airport 10 miles

Residents of the Community may notice noise and vibration at any hour from overflying aircraft traveling to or from one or more of the airports listed above. This disclosure is made in accordance with California Civil Code Section 1102.17 which requires disclosure when real property may be affected by industrial uses, including airports.

Chino Airport: The Chino Airport is located to the west of Park Place as approximately shown on the Contiguous Area Map attached as *Exhibit B* to the Park Place Disclosure Statement (“**Contiguous Area Map**”). The Chino Airport includes hangers that currently house jet aircraft. Jets and helicopters take off and land at the Airport at various times during the day and night, and the helicopters fly over the Community periodically. The Chino Airport may expand over time to include more flights. Additionally, the County has approved a master plan for the development of commercial and industrial buildings and other improvements around the Airport. This plan is in the early stages of development.

Ontario International Airport: The Ontario International Airport is located approximately six miles from Park Place and is classified as a medium-hub full-service airport with commercial jet service to major cities in the United States and through service to many international destinations. The airport is located on more than 1,700 acres of land in the City of Ontario and has two concrete runways (12,200 feet and 10,200 feet). In 2015 the airport served over 4.2 million passengers and 509,809 tons of airfreight were shipped. The airport has been designed to accommodate up to ten (10) million passengers. This airport also has noise abatement procedures in place, but there is no guarantee that these procedures will lessen the potential impacts of noise and vibrations caused by aircraft on Park Place. For further information, see the airport website: www.flyontario.com.

Corona Municipal Airport: The Corona Municipal Airport is located approximately seven (7) miles from Park Place. For information concerning this airport’s hours of operation and other issues, please call (951) 736-2289.

Riverside Municipal Airport: The Riverside Municipal Airport is located approximately ten (10) miles from Park Place. For information concerning this airport's hours of operation and other issues, please call (951) 351-6113.

Potential Impacts: In addition to the Chino Airport restrictions described above, residents in Park Place should expect to hear over flight noises from private airplanes, jet aircraft, helicopters and a variety of commercial air transports as well as noises from airport operations (e.g. jets taking off and landing) throughout the day and in to the night hours.

Chino Air Show: An air show that flies over the Community is currently held annually in May. The air show is put on by the Planes of Fame and is a two-day event. Residents of the Community will be subject to noise (which has been reported as high as 120db), over flight and light from the planes and jets, and increased traffic from spectators watching the air show. Neither the Master Developers, Neighborhood Builders, the Master Community Association have any control over the air show. Please see the following website for additional information regarding the air show: www.planesoffame.org.

HAZARDS AND MISCELLANEOUS DISCLOSURES:

The Master Developer and Neighborhood Builder advise that prior to the issuance of this Public Report, the following hazards exist within or near Park Place. For more information in regard to these hazards and miscellaneous disclosures, you are advised to read the Park Place Disclosure Statement and any additional hazard disclosure information as provided by the Neighborhood Builder.

State Correctional Facilities. The California Institution for Men ("**CIM**") is located approximately 3.5 miles to the west of the Community, at the intersection of Merrill Avenue and Euclid Avenue in the City of Chino. CIM now includes the former Heman G. Stark Youth Correctional Facility located at 15180 Euclid Avenue, in the City of Chino. CIM is a minimum-to medium-security prison constructed on 2,500 acres. CIM also acts as a short-term reception and classification center for newly-received inmates. For further information, refer to the CIM website at <http://www.cdcr.ca.gov>. The California Institution for Women ("**CIW**") is located approximately 3 miles southwest of the Community at 16756 Chino Corona Road in the City of Corona. CIW accommodates all custody levels for its female inmates and also serves as a reception and classification center for incoming inmates.

The Master Developer, Neighborhood Builders, and Master Association have no control over the state correctional system, their operations, any noise and/or lighting issues, nor the number and types of inmates housed in each facility. You must investigate these matters to your satisfaction before purchasing a Lot in the Community.

Regional Treatment Plants. The RP 1 regional wastewater treatment plant is located at the intersection of State Highway 60 and Archibald Avenue (approximately 3 miles from the Community), it is owned and operated by the IEUA and it serves the cities of Ontario, Rancho Cucamonga, Upland, Montclair, Fontana and an unincorporated area of San Bernardino County. The RP 5 wastewater treatment plant, located at 6063 Kimball Avenue in Chino

(approximately 5 miles away from the Community), is also operated by the IEUA. Despite the distance of these plants, they may generate unpleasant odors that will be detectable within the Community.

Water Wells - Agriculture. Several underground water wells have operated in and around the Community in support of past agricultural activities. The wells in the Community are shown on the Well Use and Abandonment Plan attached as *Exhibit C* to the Park Place Disclosure Statement. Wells shown as abandoned have been plugged and capped in accordance with the requirements and certification of the San Bernardino County Division of Environmental Health Services.

Water Wells – Archibald Pump Station. The Archibald Pump Station is an existing City water extraction well that is operated in connection with the Chino Basin Desalter Authority (“CDA”), a public agency that manages the production of drinking water from groundwater in the region (called the “Chino basin”) for certain cities and water districts located in the Chino basin, including Ontario.

The existing Archibald Pump Station is an enclosed structure that houses the water well and pump facilities. It is located on the east side of Archibald Avenue, abutting the Waterford at Park Place neighborhood (Tract No. 18077) at the southwest corner of the Community.

CDA is currently considering expanding the existing Archibald Pump Station to add additional well and pump facilities. If expanded as currently proposed, these additional facilities will be constructed on Lot B of Tract No. 18077, abutting residential Lot 27 of Tract No. 18077 in the Waterford at Park Place neighborhood.

The Archibald Pump Station will operate at all hours of the day and night. Residents that are in close proximity to the existing Pump Station and the proposed expansion site, may experience some noise and vibration at any hour of the day or night, and some daytime service-vehicle traffic, from the Pump Station operation.

Ontario International Airport Underground Plume. The Chino Basin Watermaster report, entitled “Optimum Basin Management Plan” (1999), indicates the presence of a plume of Volatile Organic Compounds (“VOCs”) at groundwater level under the Ontario International Airport (“OIA”) as well as an area generally located to the south of the OIA. According to the Watermaster report, the most prevalent VOC found from groundwater tests is trichloroethylene (“TCE”) which was found at levels that exceed the Maximum Contaminant Level (“MCL”), the highest level of a contaminant allowed in drinking water by federal standards. TCE is a volatile organic compound that was used widely as an industrial degreasing and cleaning solvent starting in the mid-1940’s, but its use was discontinued in the 1970’s. An approximation of the location of the underground plume, referred to as the “Archibald South TCE Plume,” is depicted on Exhibit 40 of the 2010 State of Basin Exhibits, prepared for the Chino Basin Watermaster, Declaration 2011. The boundaries of the Community have been superimposed on Exhibit 40 and it is attached as *Exhibit D* to the Park Place Disclosure Statement. Exhibit 40 is also available at the following Internet address:

http://www.cbwm.org/docs/engdocs/maps/2012_GroundwaterContaminationPlumes.pdf

Additional information regarding this underground plume can be found at the following websites:

Chino Basin Watermaster: www.cbwm.org; Santa Ana Regional Water Quality Control Board: www.swrcb.ca.gov/rwqcb8/; Settlement and Cleanup and Abatement Order No. R8-2016-0016:

http://www.waterboards.ca.gov/santaana/board_info/agendas/2016/09_16/Item_11.pdf

OBMP Phase I:

http://www.cbwm.org/docs/engdocs/obmpphas1rep/Text/OBMP_Ph1_Report.pdf

Additional information regarding TCE may be found at the California Department of Public Health website at: www.cdph.ca.gov.

Drainage Channel; Mosquitoes. A drainage channel approximately 68 feet in width runs along Remington/Bellegrave Avenue, immediately south of the Community. Similar facilities may also be constructed in or near the Community in the future. Although the channel is fenced, you should be careful when near this area and watch children and pets carefully to make sure they do not enter the fenced areas. Additionally, the channel may retain some water for extended periods of time. Standing water of any kind may potentially be breeding habitat for mosquitoes. As a result of this area and other natural and manmade water sources in the vicinity, you may encounter mosquitoes within the Community. Mosquitoes may transmit a variety of diseases, as described below. Information or services pertaining to the presence of mosquitoes in the Community can be obtained from the Vector Control Program of the San Bernardino County Department of Environmental Health Services at: www.wvmvcd.org

Agricultural Use/Right to Farm: Park Place is located on lands that were previously used for agricultural purposes (including cattle grazing and growing crops), and near lands that are currently being used for agricultural purposes. In addition, cattle, dairy cows, horses and other livestock are currently kept in the vicinity of Park Place. By reason of such agricultural use and animals, residents within Park Place may be subject to flies and other insects, smoke, operation of machinery (including aircraft and machinery operations in the early morning hours and on weekends), truck operations including loading and unloading in early morning hours and on weekends, dairy wash ponds, crop dusting, storage and disposal of manure, rodents, dust, noise and odors and may be exposed to pesticides, herbicides, insecticides and other chemicals

In addition, you are hereby advised that the Neighborhood Builder cannot represent the period of time that nearby properties used or zoned for agricultural purposes will continue to be so used or zoned. Because the nearby properties used or zoned for agricultural purposes involve complex and legal factual questions, no representation can be made, nor should be made, regarding the length of time that these nearby properties will continue to be used or zoned for agricultural purposes.”

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.

Major Streets and Freeways: The I-15 Freeway, Highway 60, Euclid Avenue, Merrill Avenue, Archibald Avenue, Edison Avenue and Limonite Avenue are some of the many major streets and freeways located near the Community. In addition, there may be truck routes in and around the Community. Because of the close proximity of these streets and highways, they may cause noise, dust, vibration and high levels of traffic in the Community. Traffic delays are common on the I-15 Freeway. Major streets located near or within the Community may be subject to flooding during rains. In addition, one or more of the streets and freeways may be visible from portions of the Community.

Electric Power Lines: Underground or overhead electric transmission and distribution lines and transformers may be located in, around or proximate to the Community. These include three separate high-voltage overhead electric transmission facilities operated by Southern California Edison ("SCE") located in a diagonal easement ("*SCE Easement*"), approximately 255 feet wide, running southwest to northeast across the southeastern corner of the Community, in the approximate location shown on the Land Use Map attached as Exhibit A to the Community Disclosure Statement for Park Place. The transmission facilities within the SCE Easement include: (a) two transmission tower lines each with six (6) overhead power lines (the larger tower carries a total of 1000 Kilovolts and the smaller tower carries a total of 440 Kilovolts); and (b) a pole line that is planned to have six (6) overhead power lines (a total of 132 Kilovolts).

In addition to the SCE Easement, a pole line with six (6) high-voltage overhead power lines, carrying a total of 132 Kilovolts, runs along the east side of Archibald Avenue, abutting the western boundary of Park Place.

The power lines suspended between the towers and poles in the SCE easement and along Archibald Avenue may be visible from your Lot. These towers and poles are unfenced and residents of the Community must be careful to ensure that children do not climb on them. Residents of the Community may hear buzzing from any or all of these high-voltage power lines.

The lines and transformers are owned, operated and maintained by one or more public utility companies. Power lines and transformers produce some noise and electromagnetic fields ("EMF") when operating. Like all wireless communication facilities, these facilities produce

radio-frequency fields ("RF"). For some time, there has been speculation in the scientific community about health risks associated with living near EMF and RF sources. Numerous studies concerning the effects of EMF and/or RF on human health have been undertaken over the past several years and some are ongoing. In 1992, the United States Congress authorized the Electric and Magnetic Fields Research and Public Information Dissemination Program to perform research on these issues and to analyze the existing scientific evidence in order to clarify the potential for health risks from exposure to EMF and RF. The National Institute of Environmental Health Sciences ("NIEHS") issued a report to Congress summarizing its review of scientific data from over three hundred (300) studies on EMF and RF health risks. The EMF and RF studies consist of both epidemiological studies (studies of exposure in human populations) and controlled laboratory experiments on animal and cell models. While some epidemiological studies suggested some link between certain health conditions, such as childhood leukemia, miscarriages and certain neurological disorders, the laboratory experiments did not support such a link. Some studies have reported associations between EMF and RF exposure and brain cancer, while other studies found no such relationship. According to the NIEHS report, the scientific evidence shows no clear pattern of health hazards from EMF or RF exposure, and the NIEHS report did not find evidence of any link sufficient to recommend widespread changes in the design or use of electrical transmission equipment. However, because the evidence does not clearly rule out any effect, NIEHS advocated continuing inexpensive and safe reductions in exposure to EMF and RF and endorsed current utility practices regarding design and siting of new transmission and distribution lines. Further information on this subject currently is available from:

The World Health Organization's International EMF Project website at <http://www.who.int/peh-emf/en/>;

The U.S. National Institute of Environmental Health Sciences website at <http://www.niehs.nih.gov/health/topics/agents/emf/>; and

The U.S. Food and Drug Administration website at <http://www.fda.gov/cdrh/wireless/html/>

Reclaimed Water: In its efforts to conserve water, the local water district requires the use of reclaimed water (treated wastewater) to irrigate landscaping in Park Place. The water used to irrigate the Master Common Area will be reclaimed water. Reclaimed water is not potable and therefore not suitable for human consumption. As with any water overspray, the repeated spray of reclaimed water may stain or discolor personal property, fencing and structural improvements.

According to the City and the IEUA, reclaimed water is disinfected with chlorine and its clarity to the human eye is indistinguishable from domestic water. The standards imposed on the water district for reclaimed water quality are established by governmental regulatory agencies, and these standards are subject to change. Owners are subject to water district rules and regulations. Further information regarding applicable regulations is available from the City and the IEUA.

Methane: Portions of Park Place are located on land that was formerly (and is currently) used as a dairy. The Master Developer has been informed that naturally-produced methane gas has

been detected in the soil of some areas in Park Place as a consequence of the historical dairy farming practices in the area. Production of methane in soil is a ubiquitous ecological phenomenon that can occur when natural soil bacteria biodegrades organic matter, such as decaying plant or animal material. Methane is an odorless gas, which can be explosive when mixed with oxygen in the proper ratio. Organic materials may have leached into the soil in some locations within Park Place. The methane gas detected in the soils in Park Place is thought to be related to the residual concentration of organic materials that have remained beyond the reach of surface scarifications and fill compaction activities. The City requires each Neighborhood Builder to check for the presence of methane in its subdivision.

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

NATURAL HAZARDS:

The Master Developer advises that prior to the issuance of this Public Report, the following natural hazards exist within or near Park Place. For more information in regard to these natural hazards, you are advised to read the Park Place Disclosure Statement and any additional natural hazard disclosure information as provided by the Neighborhood Builder.

Area of Potential Flooding. All or portions of the Community subject to this Public Report are located within an *Area of Potential Flooding caused by Dam Failure* as shown on an inundation map. Additionally, the prospective purchasers within this Area are advised that a separate disclosure will be provided as required under Government Code Section 8589.4.

Earthquakes Generally: California is subject to a wide range of earthquake activity. California has many known faults as well as yet undiscovered faults. You must evaluate the potential for future seismic activity that might seriously damage your lot or condominium. A major earthquake, which some have predicted will occur in our lifetimes, could cause very serious damage to lots or condominiums located even many miles from the epicenter of the earthquake. A more moderate earthquake occurring on a more minor fault, or on an as yet undiscovered fault, could also cause substantial damage.

Seismic Hazard Zone: Many portions of Southern California are subject to risks associated with seismic activity or "earthquakes." These potentially seismically active areas are called Seismic Hazard Zones, as defined in the Seismic Hazards Mapping Act (California Public Resources Code Section 2690 et seq.), and as shown on maps released by the California Department of Conservation, Division of Mines and Geology, copies of which are on file with the County. There are two types of Seismic Hazard Zones: a landslide zone and a liquefaction zone. "Liquefaction" is the process by which water saturated soils become unstable under heavy shaking and thereby jeopardizes foundations and other structures. For more information concerning seismic activity and risks, read "The Homeowner's Guide to Earthquake Safety," which can be obtained from the State of California or visit the website of the California Seismic Safety Commission at www.seismic.ca.gov/sscpub.htm or call (916) 263-5506, if you have additional questions.

If any disclosure, or any material amendment to any disclosure, required to be made by the Neighborhood Builder regarding the natural hazards 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 Neighborhood Builder or the Neighborhood Builder's agent.

Since all or portions of Mariposa subject to this Public Report are 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 and your homeowner's insurance and/or insurance coverage for the Master Association or commonly owned areas 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, as well as the Master Association, or the Neighborhood Builder regarding any assessment increases due to additional insurance costs. Additionally, since purchasers are not required to receive a separate disclosure for property owned by the Master Association, you should also contact the Master Association regarding any assessment increases due to additional insurance costs associated with the Statutory Natural Hazard Areas which may affect the Master Association maintained areas, if any.

TITLE

Preliminary Report: A preliminary report will be issued by the title insurer to reflect those items that affect the condition of title. You are encouraged to request a copy of this preliminary report for review of those items that affect the lot you are purchasing. Those items typically shown on a report include, but are not limited to, general and special taxes, easements, mechanic liens, monetary encumbrances, trust deeds, utilities, rights of way and CC&Rs. In most instances, copies of documents can be provided to you upon request.

Easements: Easements for public utilities, public access and other purposes are shown on the title report, Subdivision Map recorded in Book 354, Pages 78 through 82 in the Office of the San Bernardino County Recorder.

Adjustments to the original subdivision map(s) may also be recorded. You may ask the Neighborhood Builder about such changes. If you purchase a lot 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. The right of surface entry has been waived as to the surface and upper 500 feet of the subsurface of the property.

TAXES

Regular Taxes: The maximum amount of any tax on real property that can be collected annually by counties is 1% of the full cash value of the property. With the addition of interest and redemption charges on any indebtedness, approved by voters prior to July 1, 1978, the total property tax rate in most counties is approximately 1.25% of the full cash value. In some counties, the total tax rate could be well above 1.25% of the full cash value. For example, an

issue of general obligation bonds previously approved by the voters and sold by a county water district, a sanitation district or other such district could increase the tax rate.

The total property tax rate for the subdivision is 1.0796 % for tax year 2020/2021.

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

Notice of Your 'Supplemental' Property Tax Bill

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

Special Tax & Assessment: Mariposa is located within **Community Facilities District No. 23 ("CFD 23")**, which was formed for the purpose of financing certain city services within Park Place. All property within Mariposa is subject to any taxes, assessments and obligations associated with CFD 23. Before you sign a Contract, you will be provided with the Notice of Special Tax, Community Facilities District No. 23 of the City of Ontario, County of San Bernardino, California ("**Notice**"). This Notice contains important information about CFD 23 functions, your obligations, rights of CFD 23, and information on how to contact CFD 23 for additional information materials. You should carefully read and understand the information contained in the Notice. The amount that the buyer will actually owe for the current tax year may be higher than the amount that may initially appear on the Notice.

The buyer has five days after delivery of this Notice 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, Neighborhood Builder, or agent selling the property.

Special Tax & Assessment: Mariposa is located within **Community Facilities District No. 43 - Park Place Facilities Phase IV ("CFD 43")**, which was formed for the purpose of financing certain public facility improvements within Park Place. All property within Mariposa is subject to any taxes, assessments and obligations associated with CFD 43. Before you sign a Contract, you will be provided with the Notice of Special Tax, Community Facilities District No. 43 of the City of Ontario, County of San Bernardino, California ("**Notice**"). This Notice contains important information about CFD 43 functions, your obligations, rights of CFD 43, and information on how to contact CFD 43 for additional information materials. You should carefully read and understand the information contained in the Notice. The amount that

the buyer will actually owe for the current tax year may be higher than the amount that may initially appear on the Notice.

The buyer has five days after delivery of this Notice 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, Neighborhood Builder, or agent selling the property.

Special Tax & Assessment: Mariposa is located within the boundaries of the **West Valley Mosquito and Vector Control District No. 1** and is subject to any taxes, assessments and obligations thereof. This District was formed to provide mosquito and vector control services. It is anticipated the projected assessment for each residential lot within this development will be \$21.52. The administration of this district will be provided by West Valley Mosquito and Vector Control District/SCI Consulting Group – (800) 273-5167.

Special Tax & Assessment: Mariposa is located within the boundaries of the **Metropolitan Water District – Water Standby Charge** and is subject to any taxes, assessments and obligations thereof. This District was formed to pay for water standby charges. It is anticipated the projected assessment for each residential lot within this development will be \$7.52. The administration of this district will be provided by Willdan Financial Services – (866) 807-6864.

FINANCING

Pursuant to Civil Code Sections 2956 through 2967, inclusive, developers and purchasers must make certain written disclosures regarding financing terms and related information. The Neighborhood Builder 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 repaying the loan, the lender may declare the unpaid balance of the loan immediately due and payable.

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

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

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

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

Adjustable Rate Loan: The Neighborhood Builder 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 Neighborhood Builder must impound all funds (purchase money) received from you in an escrow depository until legal title is delivered to you, except for such amount as the subdivider has covered by furnishing a bond to the State of California. Refer to Business and Professions Code Sections 11013, 11013.1, and 11013.2(c).

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 Neighborhood Builder 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 Neighborhood Builder has a financial interest of 5% or more.

THE NEIGHBORHOOD BUILDER HAS NO FINANCIAL INTEREST IN THE ESCROW COMPANY WHICH IS TO BE USED IN CONNECTION WITH THE SALE OR LEASE OF LOTS IN MARIPOSA.

SOILS AND GEOLOGIC CONDITIONS

Soils and geologic information are available at the City of Ontario, Planning Department, 303 East "B" Street, Ontario, California 91764. There will be no filled ground in excess of 2 feet.

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. MARIPOSA 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 NEIGHBORHOOD BUILDER, 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 MARIPOSA.

SCHOOLS

Mariposa is located within the Mountain View School District ("**District**"), 2585 S. Archibald Avenue, Ontario, CA 91764, (909) 947-2205, and the Chaffey Joint Union High School District ("**High School District**"), 404 West 4th Street, Ontario, CA, (909) 467-5157.

The Districts advise that Mariposa is within the attendance boundaries for the following schools:

Ranch View Elementary (Grades K through 6)
3300 Old Archibald Ranch Road
Ontario, CA 91761
(909) 947-5545

Grace Yokley Middle School (Grades 7 and 8)
2947 S. Turner Avenue
Ontario, CA 91761
(909) 947-6774

Colony High School (Grades 9 through 12)
3850 E. Riverside Drive
Ontario, CA 91761
(909) 930-2929

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

CONTACTING THE DEPARTMENT OF REAL ESTATE

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

Department of Real Estate - Subdivisions South
320 West Fourth 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 162496LA-F00
[FILE NUMBER]

TRACT NO. 18065 "MARIPOSA AT PARK PLACE"
[TRACT NUMBER OR NAME]

6
[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 2, 2020
[DATE ISSUED]

[DATE AMENDED]

DECEMBER 1, 2025
[EXPIRATION DATE]

[NAME]

[SIGNATURE]

[ADDRESS]

[DATE]