

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

In the matter of the application of

**RSI COMMUNITIES-CALIFORNIA, LLC
A DELAWARE LIMITED LIABILITY COMPANY**

**FINAL SUBDIVISION PUBLIC REPORT
AMENDMENT**

FILE No.: **172759LA-A01**

ISSUED: **MARCH 28, 2023**

AMENDED: **MAY 21, 2025**

EXPIRES: **MARCH 27, 2028**

for an Amendment on

**TRACT NO. 27971-5
"OLIVEWOOD" PHASE 134**

DEPARTMENT OF REAL ESTATE

RIVERSIDE 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.**

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 Business and Professions 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.

The Subdivision Public Report, referenced above, is hereby amended. There are no changes from the Public Report issued on 3/28/23 other than this change to the section entitled Hazards:

The Subdivider has advised that all or portions of the subdivision subject to this Public Report are located within a High and Very High Fire Hazard Severity Zone. Additionally, the Subdivider has advised that prospective purchasers within this Zone will be provided a separate disclosure required under Government Code Section 51183.5.

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

"Please see attachment Exhibit A"

A copy of this Amendment Page shall be affixed to the Final Subdivision Public Report dated 3/28/23. Both shall be given to each client prior to his/her signing any agreement to purchase or lease and prior to applicant accepting any funds from any prospective purchaser/lessee.

“Exhibit A”

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

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

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

Department of Real Estate
of the
STATE OF CALIFORNIA

FINAL SUBDIVISION PUBLIC REPORT
PLANNED DEVELOPMENT

In the matter of the application of

RSI COMMUNITIES-CALIFORNIA, LLC
A DELAWARE LIMITED LIABILITY COMPANY

FILE NO.: 172759LA-F00

ISSUED: MARCH 28, 2023

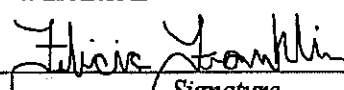
for a Final Subdivision Public Report on

EXPIRES: MARCH 27, 2028

TRACT NO. 27971-5

"OLIVEWOOD" PHASE 134

DEPARTMENT OF REAL ESTATE

by 
Signature
FELICIA FRANKLIN
Printed Name

RIVERSIDE 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.

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 FOR OLIVEWOOD ("**OLIVEWOOD**" OR "**SUBDIVISION**") COVERS ONLY PARCELS A THROUGH D OF LOT LINE ADJUSTMENT NO. 2017-0014 RECORDED APRIL 3, 2018 AS INSTRUMENT NO. 2018-0126777, RESIDENTIAL LOT 61 AND LOTS 67 THROUGH 71, INCLUSIVE OF TRACT NO. 27971-5, AS SHOWN ON SUBDIVISION MAP RECORDED IN BOOK 448, AT PAGES 58 THROUGH 63, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE RIVERSIDE COUNTY RECORDER. (COLLECTIVELY, THE "**PHASE**").

OLIVEWOOD IS BEING BUILT BY RSI COMMUNITIES – CALIFORNIA LLC, A DELAWARE LIMITED LIABILITY COMPANY ("**MASTER DEVELOPER**" OR "**SUBDIVIDER**"). MASTER DEVELOPER MAY CHANGE THE MASTER PLAN FOR OLIVEWOOD AT ANY TIME WITHOUT NOTICE.

SPECIAL INTEREST AREAS IN THIS FINAL SUBDIVISION PUBLIC REPORT: YOUR ATTENTION IS ESPECIALLY DIRECTED TO THE PARAGRAPH(S) BELOW ENTITLED: CONDITIONAL SUBDIVISION PUBLIC REPORT, EASEMENTS, FINANCING, MANAGEMENT AND OPERATION, SOILS AND GEOLOGIC CONDITIONS, UTILITIES AND OTHER SERVICES, AND USES/ZONING/HAZARD DISCLOSURES.

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

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

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

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

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

OVERVIEW OF OLIVEWOOD

Olivewood is a master planned community ("**Community**") located at Oak Valley Parkway and Potrero Boulevard within the city limits of Beaumont. If developed as approved by the city of Beaumont ("**City**"), the Community will include multiple neighborhoods with approximately 981 detached residential homes. The Olivewood Community Association ("**Master Association**") will own and maintain property ("**Master Common Area**") consisting of private recreational facilities, public open spaces, landscaping, lighting and gated streets. There is no assurance that the Master Common Area will be developed or completed as proposed.

The Community contains private parks and gated streets. There are also certain trails and paseos within the Community that are open for public access. Public use of the parks, trails and paseos in the Community may produce increased levels of noise and create other disturbances which may result in inconvenience and disturbances to purchaser and other occupants of the Community.

Vehicular and pedestrian access into the Community may be controlled by entry gates located at the private street entrances into the Community. There may also be controlled access pedestrian gates. Subdivider makes no assurances that any entry gates will be installed or staffed. If staffing is provided, the schedule for commencing staffing operations and the hours of staffing will be subject to change as development progresses and will be affected by the construction and marketing access requirements of Subdivider and the commencement of assessments in future Phases. Until the last Close of Escrow occurs in the Community, (a) any access gates may be open to the general public, (b) Subdivider may change the hours of access gate operation in its sole discretion without notice to accommodate construction and marketing activities, (c) interim access gate staffing may be provided or eliminated, and (d) operation of any access gate may be limited.

Several areas within the Community are presently undeveloped. It is anticipated that residences will be constructed within the undeveloped areas for residential areas. However, dependent upon real estate market conditions, the construction of additional homes and the development of improvements associated therewith may be indefinitely delayed and there is no assurance that the Community will ever be completed as approved by local government agencies.

The improvements within the Community could remain in their present state for an indefinite amount of time. Further, Master Developer cannot make any representations as to the product types constructed by neighborhood developers in the future, or whether homes constructed in the Community will be offered for sale or for rent by the neighborhood developers. Product types may vary significantly in both style and size from product types currently built by Subdivider and other neighborhood developers. The plans for the Community may change from time to time at Master Developer's and other neighborhood developer's sole discretion. There is no assurance as to the timing of annexation of future areas of development or that any or all of the future areas of development will be constructed or annexed into the Community.

Potential Delays in Construction and Sales Programs. The California real estate market reacts to economic and other conditions in ways which are beyond Master Developer's control. Dependent upon real estate market conditions, the development of vacant parcels, the commencement of individual neighborhood sales programs, the construction of additional homes and the completion of existing homes

by Master Developer and other neighborhood developers, and the completion of additional community infrastructure by Master Developer may be delayed for an indefinite period of time. Master Developer and other neighborhood developers do not warrant or guarantee that any neighborhood or other portion of the Community will be completed by any date certain.

Location:

This subdivision is located at Oak Valley Parkway and Potrero Boulevard within the city limits of Beaumont. 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 which will be maintained by an incorporated owners association.

Interests to Be Conveyed: You will receive fee title to a specified lot, together with a membership in the Master Association and rights to use the common area.

About This Phase:

This Public Report is for the one-hundred thirty fourth phase which consists of approximately 1.24 acres divided into 10 lots.

Common amenities and/or facilities consisting of landscape, walls and fencing, lighting, and mailboxes will be constructed on the common area in this Phase. The estimated completion date is January 2024.

This phase is part of a total subdivision which, if developed as proposed, will consist of a total of 12 tract maps containing 981 lots 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 lots in this subdivision; however, any owner, including the Subdivider, has a legal right to rent or lease the lots subject to any resale restrictions.

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

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

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

Completion of Common Area:

The Subdivider has posted a bond acceptable to the Department of Real Estate in the amount of \$3,615,592.80 to assure completion of common area improvements (Recreational Facility West) described in the Planned Construction Statement attached to the security instrument.

The Subdivider has posted a bond acceptable to the Department of Real Estate in the amount of \$1,092,120.00 to assure completion of common area improvements (Passive Park) described in the Planned Construction Statement attached to the security instrument.

The Subdivider has posted a bond acceptable to the Department of Real Estate in the amount of \$2,177,142.00 to assure completion of common area improvements (Active Park) described in the Planned Construction Statement attached to the security instrument.

The Subdivider estimates all common facilities in this phase will be completed by approximately January 2024.

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 common facilities 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. The Master 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 Master Declaration, the Articles of Incorporation ("**Articles**"), and the Bylaws of the Master Association. In addition, the Master 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 master declarations or declarations of annexation ("**Supplemental Master 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 Master 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 MASTER GOVERNING DOCUMENTS. THE MASTER ASSOCIATION MUST ALSO PREPARE AND DISTRIBUTE TO ALL HOMEOWNERS A BALANCE SHEET AND INCOME STATEMENT AND A SUMMARY OF THE ASSOCIATION'S RESERVES BASED UPON THE MOST RECENT REVIEW OR STUDY CONDUCTED PURSUANT TO SECTIONS 5500 ET.SEQ. OF THE CIVIL CODE.

The Master Declaration: This subdivision is subject to the Master Declaration recorded July 26, 2018 as Instrument No. 2018-0299777, the First Amendment recorded August 23, 2018 as Instrument No. 2018-0339562 and the Supplemental Master Declaration of Covenants, Conditions and Restrictions and Declaration of Annexation for Olivewood (Lots 57 through 61, inclusive and Lots 67 through 71, inclusive of Tract No. 27971-5) recorded on February 24, 2023 as Instrument No. 2023-0053511, and the First Amendment recorded on March 7, 2023 as Instrument No. 2023-0065577, all in the Office of the Riverside County Recorder.

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

TO SECURE FINANCING FOR THIS SUBDIVISION ACCEPTABLE FOR ACQUISITION BY FEDERAL NATIONAL MORTGAGE ASSOCIATION AND FEDERAL HOME LOAN MORTGAGE CORPORATION, IT HAS BEEN NECESSARY FOR THE SUBDIVIDER TO INCORPORATE INTO THE MASTER DECLARATION AND OTHER GOVERNING DOCUMENTS, PROVISIONS WHICH GIVE THE MORTGAGE LENDER A VOICE IN THE AFFAIRS OF THE MASTER ASSOCIATION AND IN THE MANAGEMENT AND OPERATION OF THE SUBDIVISION WHICH A LENDER DOES NOT ORDINARILY HAVE.

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

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

THE SUBDIVIDER 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 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 Master Association meetings.

Proposed Range of Assessments: The Subdivider has submitted budgets for the management, maintenance and operation of the Association obligations and for long-term reserves when the subdivision is substantially completed (built-out budget) and interim budgets applicable to these phases. These budgets were reviewed by the Department of Real Estate in October 2022. You should obtain copies of these budgets from the Subdivider.

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

As the overall subdivision is developed and additional phases of the subdivision become subject to assessment, the level of monthly assessments in then existing phases of the subdivision 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 after Phase 1 will be between \$137.00 and \$196.25. 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 \$46.38 and \$66.80.

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

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

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

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

BUDGET INFORMATION PROVIDED BY SUBDIVIDER. 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 SUBDIVIDER 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 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. 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.

Exemptions from Master Association Regular Assessments: The Master Declaration provides that the Board of the Master Association will be allowed to exempt each Owner from payment of that portion of any assessment which is directly attributable to any structural improvement and/or common facility that is not complete at the time assessments commence. The amount of the deferment may be a fixed amount, or may vary based upon dates of completion or use. Once the established criterion is met and the authority allowing the deferment is eliminated, all owners must pay the full amount of the monthly assessment as outlined herein. (Regulation 2792.16c).

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

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

Commencement of Assessments: Regular Assessments for the Master Association will commence on all lots in this phase on the first day of the first month following the conveyance of the first subdivision lot in the phase. The Subdivider 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 Master Declaration. These remedies are available against the Subdivider as well as against other owners.

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

Amended and Restated Master Subsidy Agreement for Olivewood:

The Master Developer and the Master Association have entered into an Amended and Restated Master Subsidy Agreement ("**Master Subsidy Agreement**"). The purpose of the Master Subsidy Agreement is to subsidize a portion of the common assessments. During the term of the Master Subsidy Agreement, the monthly installment of each common assessment will be fixed at \$182.00 ("**Subsidized Assessment**"). There is no assurance that additional Phases will be added to the Community or that the Community will be completed in the manner or within the time periods presently proposed. If the Master Subsidy Agreement terminates before a sufficient number of homes have been added to the Community to reduce common assessments to the amount you are paying as the Subsidized Assessment, the monthly installment of the common assessment you will be obligated to pay will be greater than the Subsidized Assessment (meaning that at the time the Master Subsidy Agreement terminates, your monthly installment payment of the common assessment would increase).

This Master Subsidy Agreement terminates on the earlier to occur of the following: (a) one year after the date the Master Subsidy Agreement has commenced; and (b) the date on which the assessments have begun for the 970th Lot in the Community.

The Master Developer may extend the subsidy term by delivering both of the following prior to the expiration of the term to the Master Association, to the Department of Real Estate and to Escrow: (a) a written Notice of Extension duly executed by Master Developer setting forth the date to which the Master Subsidy Agreement is extended; and (b) any substituted security necessary under the Master Subsidy Agreement. However, the Master Developer is under no obligation to extend the Master Subsidy Agreement beyond the initial term.

The Master Developer has posted a bond to cover its obligations under the Master Subsidy Agreement.

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:

North - Open space
East - Open Space/freeway
South - TBD/Undeveloped
West - Open space

The following hazard(s) exist(s) within or near this development:

State Route 60 is located to the South of the Subdivision and the Union Pacific railroad is located to the North.

Hazards: The Subdivider advises that the following hazards exists within or near this Subdivision:

The Subdivider has advised that all or portions of the subdivision subject to this Public Report are located within a *Zone X*, on maps issued by the Federal Emergency Management Agency, which designation indicates minimal flood risk. Additionally, the Subdivider has advised that prospective purchasers within this Area will be provided a separate disclosure required under Government Code Section 8589.3.

Subdivider has advised that many portions of California are subject to risks associated with seismic activity. Areas that meet the definition of "*Seismic Hazard Zone*" in the Seismic Hazards Mapping Act (California Public Resources Code Section 2690, *et seq.*) are shown on maps that are prepared and released by the California Department of Conservation, Division of Mines and Geology. Such zones may pose an increased risk of damage to property from earthquakes and liquefaction. Subdivider has advised that the State of California has not yet produced any seismic hazard zone maps for the Community. When such maps are released, they will be available for inspection at the offices of the County. Subdivider makes no representations or warranties as to whether the Community is in a Seismic Hazard Zone, or whether seismic activity poses any elevated degree of risk to the Community. You are advised to consult with the City, County, other public agencies, and appropriate experts to evaluate the potential risk. For more information concerning seismic activity and risks, read "The Homeowner's Guide to Earthquake Safety."

If any disclosure, or any material amendment to any disclosure, required pursuant to 1103 et seq is delivered after the execution of an offer to purchase, the purchaser shall have three days after delivery in person or five days after delivery by deposit in the mail to terminate the offer by delivery of a written notice of termination to the Subdivider or the Subdivider's agent.

If your lot is located within one or more Statutory Natural Hazard Areas, your ability to further develop the real property, to obtain insurance, or to receive assistance after a disaster may be affected. You should therefore contact your lender and insurance carrier for more information regarding types of insurance and costs to cover your property. Additionally, since purchasers are not required to receive a separate disclosure for property owned by the 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.

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.

Commercial/Industrial Zone Disclosure: Subdivider has advised that all or portions of the Subdivision subject to this Public Report are located within one mile of a property that is zoned by the City to allow commercial or industrial use. 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.

Designated Climate Zone Requiring Duct Sealing: Subdivider has advised that all or portions of the Subdivision subject to this Public Report are located in "a climate zone where properties are usually subject to duct sealing and testing requirements," in accordance with Title 24 of the California's Building Energy Efficiency Standards.

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

TITLE

Preliminary Report. A preliminary report will be issued by the title insurer to reflect those items that affect the condition of title. You are encouraged to request a copy of this preliminary report for review of those items that affect the 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 Master Declaration. In most instances, copies of documents can be provided to you upon request.

Easements: Easements for utilities, drainage, rights-of-way, and other purposes are shown on the title report and Subdivision Map recorded in Book 448, Pages 58 through 63 of Maps (Tract No. 27971-5) in addition to the Lot Line Adjustment No. 2017-LLA-0014 recorded as April 3, 2018 as Instrument No. 2018-0126777, in the Office of the Riverside County Recorder.

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

Mineral Rights:

You will not own the mineral, oil, and gas rights under your land. These have been or will be reserved as per your grant deed. The right to surface entry has been waived.

TAXES

Regular Taxes: The maximum amount of any tax on real property that can be collected annually by counties is 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 1.36299% for tax year 2022/2023.

For the purchaser of a lot or unit 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 Taxes & Assessments: This subdivision lies within the boundaries of **Improvement Area No. 5** (the "**Improvement Area**") of **City of Beaumont CFD No. 93-1** ("**CFD No. 93-1**"), which is a Mello-Roos Community Facilities District formed to provide funding for public infrastructure facilities, including sewage facilities, water facilities, school facilities, transportation facilities, flood control and drainage facilities and other landscaping and erosion control facilities. CFD No. 93-1 will levy a special tax lien each Lot in the Improvement Area's boundaries. The special tax will appear on your property tax bill. CFD No. 93-1 also has the power to sell municipal bonds to raise additional funds to build the public improvements. CFD No. 93-1 may also accelerate foreclosure if special taxes are delinquent for more than a specified amount of time. The amount of the special tax and any other information pertaining to CFD No. 93-1 can be obtained from the City of Beaumont.

Subdivider will provide initial purchasers with a disclosure entitled, "Notice of Special Tax" prior to a purchaser entering into a contract to purchase. This Notice contains important information about district functions, purchaser's obligations, right of the district, and information on how to contact the district for additional materials. Purchasers should thoroughly understand the information contained in the Notice prior to entering into a contract to purchase.

This subdivision lies within the boundaries of **City of Beaumont Community Facilities District No. 2018-1 (Olivewood—Services)** (the "**City CFD No. 2018-1**") which is a Mello-Roos Community Facilities District formed to provide funding to pay for public safety services that may include police, fire, paramedic and other emergency services and, on a contingent basis, to pay for street sweeping, traffic signal maintenance, the maintenance, landscaping and lighting of parks, parkways, streets, roads and open space, flood and storm protection services and the operation and maintenance of storm drain systems. City CFD No. 2018-1 will levy a special tax lien each Lot in the Improvement Area's boundaries. The special tax will appear on your property tax bill. City CFD No. 2018-1 also has the power to sell municipal bonds to raise additional funds to build the public improvements. City CFD No. 2018-1 may also accelerate foreclosure if special taxes are delinquent for more than a specified amount of time. The amount of the special tax and any other information pertaining to City CFD No. 2018-1 can be obtained from the City of Beaumont.

Subdivider will provide initial purchasers with a disclosure entitled, "Notice of Special Tax" prior to a purchaser entering into a contract to purchase. This Notice contains important information about district functions, purchaser's obligations, right of the district, and information on how to contact the district for additional materials. Purchasers should thoroughly understand the information contained in the Notice prior to entering into a contract to purchase.

This subdivision lies within the boundaries **Community Facilities District No. 2018-1 of Beaumont Unified School District** (the "**School District CFD 2018-1**") which is a Mello-Roos Community Facilities District formed to provide funding to pay for public school facilities. The School District CFD consists of three separate Improvement Areas. School District CFD No. 2018-1 will levy a special tax lien each Lot in the Improvement Area's boundaries. The special tax will appear on your property tax bill. School District CFD No. 2018-1 also has the power to sell municipal bonds to raise additional funds to build the public improvements. School District CFD No. 2018-1 may also accelerate foreclosure if special taxes are delinquent for more than a specified amount of time. The amount of the special tax and any other information pertaining to School District CFD No. 2018-1 can be obtained from the City of Beaumont.

Subdivider will provide initial purchasers with a disclosure entitled, "Notice of Special Tax" prior to a purchaser entering into a contract to purchase. This Notice contains important information about district functions, purchaser's obligations, right of the district, and information on how to contact the district for additional materials. Purchasers should thoroughly understand the information contained in the Notice prior to entering into a contract to purchase.

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, Subdivider, or agent selling the property.

FINANCING

Pursuant to Civil Code Sections 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 repaying the loan, the lender may declare the unpaid balance of the loan immediately due and payable.

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

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

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

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

Adjustable Rate Loan. The Subdivider may assist you in arranging financing from a federal or state regulated lender which will make loans that allow the interest rates to change over the life of the loan. An interest rate increase ordinarily causes an increase in the monthly payment that you make to the lender.

The lender will provide you with a disclosure form about the financing to assist you in the evaluation of your ability to make increased payments during the term of the loan. This disclosure form will be furnished to you at the time you receive your loan application and before you pay a nonrefundable fee.

Government Lender Approval. The Subdivider may submit the subdivision for approval by a government lender such as the Federal Housing Authority or another government lender (a "**Government Lender**"). In the event that the project is approved by a Government Lender, then the purchaser shall have the right to apply for a purchase money loan that is to be purchased, insured or guaranteed, as applicable, by that Government Lender and will be subject to the closing conditions and requirements of the applicable Government Lender. It is unknown at this time, what Government Lender, if any, may approve the subdivision or what closing conditions and requirements may be applicable. Certain Government Lenders require closing conditions and requirements such as the following: percentage of owner occupancy in the subdivision, a working capital contribution to the Master Association, a termite warranty and/or a limited 10-year warranty.

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

PURCHASE MONEY HANDLING

The Subdivider must impound all funds (purchase money) received from you in an escrow depository until legal title is delivered to you, except for such amount as the subdivider has covered by furnishing a bond to the State of California. [Refer to Business and Professions Code Section 11013.4(b)].

If the escrow has not closed on your lot within one (1) year of the date of purchase contract, 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 LOTS IN THIS SUBDIVISION.

SOILS AND GEOLOGIC CONDITIONS

Soils and geologic information is available at:

City of Beaumont
550 East 6th Street
Beaumont, CA 92223

Some lots contain filled ground. Information concerning filled ground, soil conditions and geologic conditions is available at the same agency listed above.

CALIFORNIA IS SUBJECT TO GEOLOGIC HAZARDS SUCH AS LANDSLIDES, FAULT MOVEMENTS, EARTHQUAKE SHAKING, RAPID EROSION, OR SUBSIDENCE. THE UNIFORM BUILDING CODE, APPENDIX CHAPTER 33, PROVIDES FOR LOCAL BUILDING OFFICIALS TO EXERCISE PREVENTIVE MEASURES DURING GRADING TO ELIMINATE OR MINIMIZE DAMAGE FROM SUCH GEOLOGIC HAZARDS. THIS SUBDIVISION IS LOCATED

IN AN AREA WHERE SOME OF THESE HAZARDS MAY EXIST. SOME CALIFORNIA COUNTIES AND CITIES HAVE ADOPTED ORDINANCES THAT MAY OR MAY NOT BE AS EFFECTIVE IN THE CONTROL OF GRADING AND SITE PREPARATION.

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

UTILITIES AND OTHER SERVICES

Private Streets and Roads: The private streets and roads within this Subdivision will be maintained by the Master Association. The costs of repair and maintenance of these private streets are included in the budget and are a part of your regular assessment.

Use of Private Streets before Conveyance To Master Association: The private streets and roads serving this Subdivision (collectively, the "**Private Streets**") are anticipated to be conveyed in fee to the Master Association in later phases of the Community. To provide street access to buyers in early phases of development, the Subdivider has established temporary easements over the Private Streets under an Amended and Restated Private Street Maintenance Agreement (the "**Private Street Agreement**") with the Master Association in order (1) to provide for interim Private Streets Easements (as defined in the Private Street Agreement) over the Private Streets for the Master Association and its members for access to and from Master Common Area and the Lots prior to fee conveyance of the Private Streets to the Master Association; (2) to evidence the Subdivider's agreement to maintain the Private Streets before fee conveyance to the Master Association; (3) to evidence the Subdivider's agreement to convey the Private Streets in fee to the Master Association in accordance with the development and phasing plan for the Community; (4) to establish the conditions for exercise of the Master Association's right to perform certain remedial maintenance of the Private Streets while subject to the Private Streets Easements (as defined in the Private Street Agreement); and (5) to evidence the Subdivider's agreement to contribute accrued reserves for the Private Streets when they are conveyed in fee to the Master Association, on the occurrence of certain circumstances described in the Private Street Agreement. The Subdivider has provided the City of Beaumont with completion bonds for the Private Streets, copies of which have been provided to DRE.

Schools: This Subdivision lies within the Beaumont Unified School District. This District advises the schools initially available to this Subdivision are:

Grades K-5

Three Rings Ranch Elementary School
1040 Claiborne Avenue East
Beaumont, CA 92223
(951) 769-8424

Grades 6-8

Mountain View Middle School
200 Cougar Way
Beaumont, CA 92223
(951) 845-1627

Grades 9-12

Beaumont High School
39139 Cherry Valley Blvd.
Beaumont, CA 92223
(951) 845-3171

Glen View High School (**Alternative**)
905 Michigan Avenue
Beaumont, CA 92223
(951) 769-8424

Please note that the students will be registered on a first-come first-serve basis, as long as all necessary enrollment requirements are met. The District endeavors to assign students to the school within their attendance boundary, however if the boundary school has reached capacity, students will be assigned to a designated overflow school.

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 district(s) at (951) 797-5346.

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 W. 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 172759LA-A01
[FILE NUMBER]

TRACT NO. 27971-5 "OLIVEWOOD"
[TRACT NUMBER OR NAME]

PHASE 134
[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:

MARCH 28, 2023
[DATE ISSUED]

MAY 21, 2025
[DATE AMENDED]

MARCH 27, 2028
[EXPIRATION DATE]

[NAME]

[SIGNATURE]

[ADDRESS]

[DATE]