

*Department of Real Estate
of the
State of California*

**FINAL SUBDIVISION PUBLIC REPORT
CONDOMINIUM**

In the matter of the application of

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

FILE NO.: 170508LA-F00

ISSUED: OCTOBER 27, 2022

EXPIRES: OCTOBER 26, 2027

for a Final Subdivision Public Report on

TRACT 37153

“SERRANO” (PHASE 3)

DEPARTMENT OF REAL ESTATE

by ASheeka Prasad
Signature
ASHEEKA PRASAD
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

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

Governing Instruments

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

Assessments

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

Common Facilities

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

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

Subdivider Control

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

Cooperative Living

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

Informational Brochure

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

RE 646 (Rev. 1/20)

SPECIAL NOTES

THIS REPORT COVERS ONLY RESIDENTIAL UNITS 1 THROUGH 10 LOCATED ON A PORTION OF LOT 1 AND ASSOCIATION PROPERTY LOTS 6, 7 AND 8, ALL OF TRACT NO. 37153.

“SERRANO” (“**SUBDIVISION**”) IS BEING DEVELOPED BY TAYLOR MORRISON OF CALIFORNIA, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY (“**SUBDIVIDER**”).

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

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

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.

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

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

THE USE OF THE TERM “PUBLIC REPORT” SHALL MEAN AND REFER TO THIS FINAL PUBLIC REPORT.

OVERVIEW OF SUBDIVISION

Location:

This Subdivision is located at Temescal Canyon Road and the Interstate 15 Freeway within the unincorporated area of the County of Riverside, CA. Prospective purchasers should acquaint themselves with the kinds of city services available.

Type of Subdivision:

This Subdivision is a common-interest development of the type referred to as a condominium. It is operated by an incorporated association.

Interests to Be Conveyed:

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

About This Phase:

This is the third phase which consists of approximately 1.120 acres on which 10 buildings containing 10 units and 10 garages will be constructed on a portion of Lot 1 of Tract 37153 with 46 street parking spaces with 10 off street guest parking spaces within the project.

Common amenities and/or facilities in this phase consisting of street lights, street, walkway and driveway paving, walls, fencing and gates, tree replacement and landscaping will be constructed on Lots 6, 7, 8 and a portion of Lot 1. The estimated completion date of this phase is November 2022.

This phase is part of a total Subdivision which, if developed as proposed, will consist of a total of 10 phases containing 80 units within the overall projected Subdivision.

Additional common amenities and/or facilities consisting of 2 parks and a recreational facility will be constructed in the Subdivision.

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

FUTURE DEVELOPMENT OF THE SUBDIVISION CANNOT BE PREDICTED WITH ACCURACY. THE SUBDIVIDER HAS THE RIGHT TO BUILD MORE OR FEWER THAN THE NUMBER OF HOMES CURRENTLY PLANNED, CHANGE PRODUCT LINES, ENLARGE OR DECREASE THE SIZE OF HOMES, ADDING LARGER, SMALLER OR DIFFERENTLY DESIGNED MODELS OR CHANGING (PARTIALLY OR IN TOTAL) DESIGNS AND/OR MATERIALS, AT ANY POINT DURING DEVELOPMENT.

DUE TO THE INABILITY TO PREDICT FUTURE MARKET CONDITIONS WITH ACCURACY, THERE ARE NO ASSURANCES THAT THE SUBDIVISION WILL BE BUILT AS CURRENTLY PLANNED, OR PURSUANT TO ANY PARTICULAR BUILD-OUT SCHEDULE. TOPOGRAPHICAL MAPS IN THE SALES OFFICE, LOT PLOTTING MAPS, MAPS OFFERED BY

SUBDIVIDER AND OTHER FORMS SHOWING "COMPLETE" SUBDIVISION PROJECTIONS DO NOT NECESSARILY COMMIT THE SUBDIVIDER TO COMPLETE THE SUBDIVISION OR, IF COMPLETED, TO COMPLETE THE SUBDIVISION AS SHOWN. THE SUBDIVIDER MAY SELL AT ANY TIME, ALL OR ANY PORTION OF THE LOTS WITHIN THE SUBDIVISION TO ANY THIRD PARTY, INCLUDING OTHER DEVELOPERS OR BUILDERS.

Sale of All Residences:

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

Subdivider and Purchaser Obligations:

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

NOTE: WHEN YOU SELL YOUR CONDOMINIUM UNIT TO SOMEONE ELSE, YOU MUST GIVE THAT PERSON A COPY OF THE DECLARATION OF RESTRICTIONS, ARTICLES OF INCORPORATION BYLAWS AND A TRUE STATEMENT CONCERNING ANY DELINQUENT ASSESSMENTS, PENALTIES, ATTORNEY'S FEES OR OTHER CHARGES, PROVIDED BY THE RESTRICTIONS OR OTHER MANAGEMENT DOCUMENTS ON THE CONDOMINIUM UNIT AS OF THE DATE THE STATEMENT WAS ISSUED.

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

Completion of Future Association Property:

The Subdivider has posted a bond acceptable to the Department of Real Estate to assure completion of North Park improvements located within Lot 8 of Tract 37153 described in the Planned Construction Statement attached to the bond. The estimated completion date for these improvements is November 2022.

The Subdivider has posted a bond acceptable to the Department of Real Estate to assure completion of View Park improvements located within Lot 5 of Tract 37153 described in the Planned Construction Statement attached to the bond. The estimated completion date for these improvements is November 2022.

The Subdivider has posted a bond acceptable to the Department of Real Estate to assure completion of Recreational Facility improvements located within Lot 4 of Tract 37153 described in the Planned Construction Statement attached to the bond. The estimated completion date for these improvements is December 2022.

The Subdivider has posted a performance bond with the County of Riverside to assure completion of private street improvements located within Lots B, C and D of Tract 37153 described in the Planned

Construction Statement attached to the bond. The estimated completion date for these improvements is December 2023.

Completion of Association Property in this phase:

The Subdivider estimates all common areas in this phase will be completed by approximately November 2022.

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

This is a phased Subdivision on three lots.

The Subdivider of this Subdivision has not furnished any financial guarantees that any residential units other than those in Phase 3 will be completed.

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

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

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

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

any statutory lien for labor or materials attaching to the Land, arising out any work of improvement under construction or completed at the date of policy as to the condominium building in which the insured's separate unit is located, and/or by reason of statutory lien for labor or materials attaching to the Land arising out of any work of improvement within Lot 1 of Tract No. 37153 whether such improvements have been completed, are under construction or are to be constructed after the Policy Date.”

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

NOTWITHSTANDING ANY PROVISION IN THE PURCHASE AGREEMENT TO THE CONTRARY, A PROSPECTIVE BUYER HAS THE RIGHT TO NEGOTIATE WITH THE SELLER TO ALLOW AN INSPECTION OF THE PROPERTY BY THE BUYER OR THE BUYER'S

DESIGNEE UNDER TERMS MUTUALLY AGREEABLE TO THE PROSPECTIVE BUYER AND SELLER.

MANAGEMENT AND OPERATION:

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

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

The CC&Rs: This subdivision is subject to the Declaration of Covenants, Conditions and Restrictions and Reservation of Easements for Serrano ("**CC&R's**") recorded June 30, 2022 as Instrument No. 2022-0296879 and the Supplemental Declaration for this phase recorded September 22, 2022 as Instrument No. 2022-0403771, in the Office of the Riverside County Recorder, as the same may be modified or amended.

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

Solar Energy System. This Subdivision is subject to that certain Declaration of Solar Energy Covenants, Conditions and Restrictions for Serrano recorded August 18, 2022 as Instrument No. 2022-0364364 and the Supplementary Declaration Establishing Solar Shading Restrictions for Phase 3

recorded September 22, 2022 as Instrument No. 2022-0403772, in the Office of the Riverside County Recorder and any amendments or supplements thereto.

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

THE CALIFORNIA DEPARTMENT OF REAL ESTATE HAS NOT APPROVED OR REVIEWED DOCUMENTS RELATED TO THE SYSTEM OR THE SOLAR PROGRAM OFFERED. YOU ARE ADVISED TO THOROUGHLY REVIEW ALL DOCUMENTS AND INVESTIGATE ALL POSSIBLE OUTCOMES OF ANY SOLAR PROGRAM OFFERED, PRIOR TO SIGNING A PURCHASE AGREEMENT. YOU MAY WANT TO SEEK INDEPENDENT LEGAL COUNSEL TO ASSIST WITH YOUR REVIEW AND INVESTIGATION.

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

ADDITIONAL INFORMATION ABOUT SOLAR ENERGY SYSTEMS FOR NEW HOMES IS ON THE WEBSITE OF THE CALIFORNIA ENERGY COMMISSION AND PUBLIC UTILITIES COMMISSION, AT [HTTP://WWW.GOSOLARCALIFORNIA.CA.GOV/](http://www.gosolarcalifornia.ca.gov/).

Private Street Agreement. Serrano is served by private streets located on Lots B, C and D of Tract No. 37153 (collectively, the "**Private Streets**"). The Subdivider has entered into a Private Street Maintenance and Use Agreement for Serrano ("**Street Agreement**") with the Association in order to provide for the maintenance and use of the private streets located within the Subdivision. The Subdivider anticipates the Private Streets will be conveyed to the Association in DRE Phase 10 which is anticipated to occur on or about June 2023.

Documents to be Furnished:

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

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

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

THE SUBDIVIDER SHALL MAKE A COPY OF THE ARTICLES, THE BYLAWS AND THE CC&RS AVAILABLE FOR EXAMINATION BY A PROSPECTIVE BUYER BEFORE EXECUTION OF AN OFFER TO PURCHASE A CONDOMINIUM UNIT. A COPY OF EACH MUST ALSO BE GIVEN TO EACH BUYER AS SOON AS PRACTICABLE BEFORE CLOSE OF ESCROW. THESE DOCUMENTS CONTAIN NUMEROUS MATERIAL PROVISIONS THAT SUBSTANTIALLY AFFECT AND CONTROL YOUR RIGHTS, PRIVILEGES, USE, OBLIGATIONS AND COSTS OF MAINTENANCE AND OPERATION. YOU SHOULD READ AND UNDERSTAND THESE DOCUMENTS BEFORE YOU OBLIGATE YOURSELF TO PURCHASE A CONDOMINIUM UNIT. (BUSINESS AND PROFESSIONS CODE SECTION 11018.6)

MAINTENANCE AND OPERATIONAL EXPENSES:

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

Proposed Budgets. The Subdivider has submitted proposed budgets for the management, maintenance and operation of the Association's obligations and for long-term reserves when the Subdivision is substantially completed (built-out budget) and an interim budget applicable to this phase. These budgets were reviewed by the Department of Real Estate in June 2022. Under the built-out budget, the monthly assessment against each condominium unit will be \$254.50. The Association may or may not elect to use this budget when additional phases are annexed.

Under the interim budget, the monthly assessment per unit will be \$304.25. Of these amounts, the monthly contributions toward long-term reserves, which are not to be used to pay for current operating expenses are \$56.05 (built-out) and \$30.70 (interim).

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

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

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

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

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

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

In addition to other documentation provided to each prospective Buyer, a copy of the current financial information, and related statements, to the extent available, as specified by Section (b) of Civil Code Section 5300 must be made available for examination by a prospective Buyer before the execution of an offer to purchase a Unit. 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 Association prove insufficient to properly maintain, operate, repair or replace the common facilities, the Association may increase Regular Assessments or levy one or more Special Assessments in accordance with the Governing Documents in order to provide such funding, which may affect your ability to purchase, or, as an alternative, the Association may decide to defer maintenance or eliminate services.

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

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

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

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

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

Subsidy Agreement. The Subdivider and the Association have entered into a Subsidy Agreement for the purpose of subsidizing a portion of the monthly assessments for the Units in Phases 1 through 5. The Subdivider shall pay to the Association the difference between the then-current monthly Annual Assessment as set forth in the approved budget on file with the Department of Real Estate and Three Hundred Twenty-Three and 25/100 Dollars (\$323.25) per month.

The term of the Agreement shall begin on the first day of the first month following the close of the first escrow in DRE Phase 1 and shall terminate upon the earlier of the following dates: (a) the date which is one (1) year after the date of the first Close of Escrow for the sale of a Condominium in Budget Phase 1; or (b) the date on which the first Close of Escrow occurs for a sale of a Condominium in DRE Phase 6 of the Neighborhood. The Term of the Agreement may be extended in six (6) month increments.

The Subdivider has posted a bond as partial security for the obligation to pay the subsidized assessments. The governing body of the Association should assure itself that the Subdivider has satisfied his obligations to the Association with respect to the payment of assessments before agreeing to a release or exoneration of the security.

USES/ZONING/HAZARD DISCLOSURES

The Subdivider has set forth below references to various uses, zoning, hazards and other matters based on information from a variety of sources. You should independently verify the information regarding these matters, as well as all other matters, that may be of concern to you regarding the Subdivision and all existing, proposed or possible future uses adjacent to or in the vicinity of the Subdivision. At the time this public report was issued, some of the land uses that surround the Subdivision, include, but are not limited to, the following:

Zoning

North: Residential/Freeway
South: Temescal Canyon Road/Campbell Road
East: Freeway
West: Residential

Uses and Hazards

Tom's Farm tourist attraction – approximately 1 mile northwest of the project;
Sycamore Creek Sports Park – less than 1 mile south of the project;
Glen Ivy Golf Club – approximately 1 ½ miles west of the project;
Deleo Regional Sports/Skate Park – approximately 1.15 miles south of the project;
Shops at Dos Lagos – approximately 3.87 miles north of the project;

Interstate 15 Freeway – immediately east of the project;
Ivy Glen Substation – less than 1 mile west of the project;
Corona Lake – approximately 2 miles southeast of the project

Temescal Fire Station – less than 2 mile west of the project;
Riverside County Fire Department, Station No. 64 – approximately 1.2 miles southwest of the project;
Corona Fire Department, Station No. 7- approximately 6 miles north of the project;

Mining Property. The Subdivision is near real property (the “**Mining Property**”) on which sand and gravel surface mining operations and the manufacture of concrete and other similar products are being conducted in accordance with permits from the County of Riverside and in accordance with applicable law and the requirements of governmental authorities (the “**Mining Operations**”). Said Mining Operations may be conducted twenty-four hours per day, seven days per week and will cause certain “Impacts” including, but not limited to, noise, dust, fumes, unpleasing visual effects, heavy vehicular traffic, vibrations, destruction or displacement of plant life and animal life, alterations of surface and subsurface water flows on the Mining Property that do not cause any physical injury to the Subdivision, and offensive odors, which impacts may interfere with the comfortable enjoyment of life by each occupant of the Subdivision, their invitees, guests, animals and pets and the use of the Subdivision (“**Nuisances**”). Each owner of any portion of the Subdivision acknowledges and agrees that they are purchasing a Unit with the knowledge of the existence of such Mining Operations and the Nuisances caused thereby and shall waive any right to (a) object to the Nuisances resulting from Mining Operations, (b) object to permits required for Mining Operations and (c) recover from the owners and operators of the Mining Operations, any and all damages to real and personal property resulting from such Nuisances except, that the persons or entities conducting such Mining Operations or any other operations on the Mining Property shall not be relieved from their obligation or liability for all damages and harm, as provided by law or in equity, for any material damage to the physical elements of the real property covered hereby. Noise, dust, fumes, unpleasing visual effects, heavy vehicular traffic, vibrations, destruction or displacement of plant and animal life and offensive odors shall not constitute damage to the physical elements of the Subdivision.

Open Space Areas. The Wash, located in the southern portion of the Subdivision, adjacent to Temescal Canyon Road, is an unnamed tributary to the Temescal Wash. The Wash originates on the foothills of the Santa Ana Mountains located southwest of the Subdivision. The Wash meanders along the southern border of the Subdivision. The habitat found within the Wash consists of Mulefat Scrub and Riversidean Alluvial Scrub, both which are native and important to the drainage systems of California as well as Sycamore trees. These trees and associated habitats are suitable for many avian species, including raptors and provide a wildlife movement corridor that links together large areas of habitat. In addition, as with any unimproved land, certain risks exist due to the proximity of open space and habitat

areas, including the risk that wild animals may enter the Subdivision from time to time. Therefore, it is important that all residents take appropriate precautions to protect persons and domestic animals.

Because the Subdivision is surrounded by open space areas that are covered in grasses and other vegetation, there is an increased risk of wildfires occurring in the open space during the dry season. The Subdivision is prone to environmental and weather conditions that create a high risk of destructive wildfires. These wildfires are difficult to predict, control and extinguish. In addition, high winds in the Subdivision can carry windborne embers during wildfires, increasing the speed at which destructive wildfires can spread, in and around the Subdivision. Such wildfires can cause property loss or bodily harm. They may also force evacuation from homes in the Subdivision.

Subdivider cannot control the conditions that create and spread these wildfires, and Owners are advised to carefully consider the risks of wildfires that are inherent in California living. Owners of homes adjacent to open space should maintain a fire-resistant, defensible space around their Residence and should advise the City if they observe a need for weed or brush abatement within the open space. All Owners in the Subdivision should become familiar with local and state fire protection agencies' recommendations and information regarding California wildfire dangers and risks. The inherent risks of wildfires in California may have an adverse impact on insurance premiums for homeowner's insurance or homeowner's insurance may not be available at all. Owners should consult an insurance professional for additional information about the costs and availability of insurance for Owner's home.

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

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

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

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

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

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

Notice of Right to Farm: This Subdivision is located within one mile of a farm or ranch land designated on the current county-level GIS "Important Farmland Map," issued by the California Department of Conservation, Division of Land Resource Protection. Accordingly, the property may be subject to inconveniences or discomforts resulting from agricultural operations that are a normal and necessary aspect of living in a community with a strong rural character and a healthy agricultural sector. Customary agricultural practices in farm operations may include, but are not limited to, noise, odors, dust, light, insects, the operation of pumps and machinery, the storage and disposal of manure, bee pollination, and the ground or aerial application of fertilizers, pesticides, and herbicides. These agricultural practices may occur at any time during the 24-hour day. Individual sensitivities to those practices can vary from person to person. You may wish to consider the impacts of such agricultural practices before you complete your purchase. Please be advised that you may be barred from obtaining legal remedies against agricultural practices conducted in a manner consistent with proper and accepted customs and standards pursuant to Section 3482.5 of the Civil Code or any pertinent local ordinance.

Notice of Mining Operations. The Subdivision is located within one mile of a mine operation for which the mine owner or operator has reported mine location data to the Department of Conservation

pursuant to Section 2207 of the Public Resources Code. Accordingly, the property may be subject to inconveniences resulting from mining operations. You may wish to consider the impacts of these practices before you complete your transaction.

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

If your condominium unit is located within one or more Statutory Natural Hazard Areas, your ability to further develop the real property, to obtain insurance, or to receive assistance after a disaster may be affected. You should therefore contact your lender and insurance carrier for more information regarding types of insurance and costs to cover your property. Additionally, since purchasers are not required to receive a separate disclosure for property owned by the Association, you should also contact the Association regarding any assessment increases due to additional insurance costs associated with the Statutory Natural Hazard Areas which may affect the Association maintained areas, if any.

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

TITLE

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

Easements: Easements for public utilities, access, and incidental purposes are shown on the title report and Subdivision Map recorded in Map Book 484 Pages 47 to 50 and the Condominium Plan recorded September 21 2022 as Instrument No. 2022-0401481, both in the Office of the Riverside County Recorder.

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

Mineral Rights: You will not own the water, mineral, oil, and gas rights under your land below a depth of 500 feet. These have been 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 one percent (1%) of the full cash value of the property. With the addition of interest and redemption charges on any indebtedness, approved by voters prior to July 1, 1978, the total property tax rate in most counties is approximately 1.25% of the full cash value. In some counties, the total rate could be well above 1.25% of the full cash value. For example, an issue of general obligation bonds

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

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

Notice of Your 'Supplemental' Property Tax Bill

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

Special Taxes & Assessments:

This Subdivision lies within the boundaries of the following Assessment Districts and are subject to any taxes, assessments and obligations thereof:

This Subdivision lies within the **Corona-Norco Unified School District Community Facilities District No. 19-1** and is subject to any taxes, assessments and obligations thereof. The Subdivider must provide 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 special tax appears on the yearly property tax bill and is in addition to the tax rate affecting the property described above in the section entitled "Regular Taxes."

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.

Riverside County Landscape and Lighting Maintenance District No. 89-1-C (Zone TBD). This District was formed to install, maintain and service ornamental structures, fences, trails, landscaping and appurtenant facilities including irrigation systems, street lights, traffic signals, bridge lights, drainage services (bio swales and stormwater runoff basin filters) within public areas within zones. As of the date of this Public Report it is anticipated the projected assessment for each residential unit within this Subdivision will be **(to be determined)** per unit. The administration of this District will be provided by Harris and Associates.

Riverside County Flood Control and Water Conservation District/Santa Ana Watershed Benefit Assessment Area (NPDES Program). This District was formed to regulate urban stormwater discharge pursuant to the Federal 1972 and 1987 Clean Water Act. As of the date of this Public Report it

is anticipated the projected assessment for each residential unit within this Subdivision will be \$3.76 per parcel. The administration of this District will be provided by the Riverside County Flood Control and Water Conservation District/Albert A. Webb Associates.

Metropolitan Water District-Standby West. This District was formed to pay for water standby charges. As of the date of this Public Report it is anticipated the projected assessment for each residential unit within this Subdivision will be \$9.22 per parcel. The administration of this District will be provided by the Willdan Financial Services.

Northwest Mosquito and Vector Control District. This District was formed to provide mosquito and general vector control pursuant to California Health and Safety and California Government Codes. As of the date of this Public Report it is anticipated the projected assessment for each residential unit within this Subdivision will be \$10.60 per unit. The administration of this District will be provided by the SCI Consulting Group.

FINANCING

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

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

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

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

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

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

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

Adjustable-Rate Loan: The Subdivider may assist you in arranging financing from a federal or state regulated lender which will make loans that allow the interest rates to change over the life of the loan. An interest rate increase ordinarily causes an increase in the monthly payment that you make to the lender. The lender will provide you with a disclosure form about the financing to assist you in the evaluation of your ability to make increased payments during the term of the loan. This disclosure form will be furnished to you at the time you receive your loan application and before you pay a nonrefundable fee.

PURCHASE MONEY HANDLING

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

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

Note: Section 2995 of the Civil Code provides that no real estate Subdivider shall require as a condition precedent to the transfer of real property containing a single-family residential dwelling that escrow services effectuating such transfer shall be provided by an escrow entity in which the Subdivider has a financial interest of 5% or more.

THE SUBDIVIDER HAS NO FINANCIAL INTEREST IN THE ESCROW COMPANY WHICH IS TO BE USED IN CONNECTION WITH THE SALE OR LEASE OF CONDOMINIUM UNITS IN THIS SUBDIVISION.

SOILS AND GEOLOGIC CONDITIONS

Soils filled ground and geologic information is available at: County of Riverside – Transportation and Land Management Agency, 39493 Los Alamos Road, Murrieta, CA 92563. This Subdivision will contain 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. THIS SUBDIVISION IS LOCATED IN AN AREA WHERE SOME OF THESE HAZARDS MAY EXIST. SOME CALIFORNIA COUNTIES AND CITIES HAVE ADOPTED ORDINANCES THAT MAY OR MAY NOT BE AS EFFECTIVE IN THE CONTROL OF GRADING AND SITE PREPARATION.

PURCHASERS MAY CONTACT THE SUBDIVIDER, THE SUBDIVIDER'S ENGINEER, THE ENGINEERING GEOLOGIST, AND THE LOCAL BUILDING OFFICIALS TO DETERMINE IF THE ABOVE-MENTIONED HAZARDS HAVE BEEN CONSIDERED AND IF THERE HAS BEEN

ADEQUATE COMPLIANCE WITH APPENDIX CHAPTER 33 OR AN EQUIVALENT OR MORE STRINGENT GRADING ORDINANCE DURING THE CONSTRUCTION OF THIS SUBDIVISION.

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

Access Easement. A Private Street Access and Maintenance Easement Deed for vehicular and pedestrian access, and for vehicle parking over the private streets located on Lots B, C and D will be recorded August 18, 2022 as Instrument No. 2022-0364365 in the Office of the Riverside County Recorder.

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

Todd Academy (Grades K – 6)
25105 Mayhew Canyon
Corona, CA 92883

El Cerrito Middle School (Grades 7 – 8)
7610 El Cerrito Road
Corona, CA 92883

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

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

CONTACTING THE DEPARTMENT OF REAL ESTATE

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

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

RECEIPT FOR PUBLIC REPORT

The Laws and Regulations of the California Real Estate Commissioner require that you as a prospective purchaser or lessee be afforded an opportunity to read the public report for this subdivision before you make any written offer to purchase or lease a subdivision interest or before any money or other consideration toward purchase or lease of a subdivision interest is accepted from you.

In the case of a preliminary or interim public report, you must be afforded an opportunity to read the public report before a written reservation or any deposit in connection therewith is accepted from you.

In the case of a conditional public report, delivery of legal title or other interest contracted for will not take place until issuance of a final public report. Provision is made in the sales agreement and escrow instructions for the return to you of the entire sum of money paid or advanced by you if you are dissatisfied with the final public report because of a material change. (See California Business and Professions Code Section 11012.)

DO NOT SIGN THIS RECEIPT UNTIL YOU HAVE RECEIVED A COPY OF THE PUBLIC REPORT AND HAVE READ IT.

I read the Commissioner's Public Report on 170508LA-F00
[FILE NUMBER]

TRACT 37153 "SERRANO"

[TRACT NUMBER OR NAME]

3

[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:

OCTOBER 27, 2022

[DATE ISSUED]

[DATE AMENDED]

OCTOBER 26, 2027

[EXPIRATION DATE]

[NAME]

[SIGNATURE]

[ADDRESS]

[DATE]