RANCHO PALMA
VERDEMONT, SAN BERNARDINO COUNTY, CA

±28.4 Acres with Approved Plans for
120 Single-Family Detached Units
Adjacent to Future Retail/Service Center
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DEVELOPMENT SUMMARY
RANCHO PALMA | SAN BERNARDINO, CA

PROPERTY LOCATION
Rancho Palma is located on the northwest corner of Palm Avenue and Little League Drive.

OWNER OF RECORD
Strata Palma LLC

ASSESSOR PARCEL NUMBERS

MUNICIPALITY
City of San Bernardino, CA

PROPERTY DESCRIPTION
±28.40 Acres with approved plans for 120 single-family detached homes within a gated community, including 57 with a minimum lot size of 5,000 SF and 63 with a minimum lot size of 7,000 SF, adjacent to a future retail/service center.

TOPOGRAPHY
Generally Flat.

ZONING
Rancho Palma was recently rezoned for both Residential and Commercial use through a Specific Plan.

ENTITLEMENTS
The Tentative Map (TTM 20006) and EIR were approved in April 2017.

PROPERTY CONDITION
Rancho Palma is currently in an unimproved condition.

HOMEOWNERS ASSOCIATION (HOA)
To be determined

COMMUNITY FACILITIES DISTRICT (CFD)
There is no CFD planned for the Property, however the project has been conditioned to have a LLMD.
Rancho Palma is located in the San Bernardino foothills within the Community of Verdemont, offering panoramic mountain views. The site is specifically located at the northwest corner of Palm Avenue and Little League Drive with immediate access to Interstate 215 ("I-215") and nearby access to Interstate 15 ("I-15"), in San Bernardino, CA.
**SCHOOL DISTRICT OVERVIEW**

The San Bernardino City Unified School District ("SBUCSD") serves approximately 53,365 students, including 3,138 students from charter schools. SBCUSD consists of seventy six (76) schools including forty nine (49) elementary schools, eleven (11) middle schools, ten (10) high schools, one (1) adult school, three (3) special education schools, two (2) alternative programs, and twelve (12) charter schools. Sixteen (16) of these schools have been awarded as a California Distinguished School, three (3) have been awarded as National Blue Ribbon Schools, and one (1) has been awarded as California Gold Ribbon School. The graduation rate at SBCUSD has risen from 73.5% in 2012, to 79.9% in 2014.

Local public schools serving Rancho Palma are set by SBCUSD. School assignments are subject to change by the district at any time. The current public schools serving Rancho Palma and their 2013 API Score are as follows:

1. **North Verdemont Elementary School (Grades K-5)**
   - 3555 West Meyers Road, San Bernardino, CA 92407
   - API (2013): 812

2. **Cesar E. Chavez Middle School (Grades 6-8)**
   - 6650 North Magnolia Avenue, San Bernardino, CA 92407
   - API (2013): 769

3. **Cajon High School (Grades 9-12)**
   - 1200 Hill Drive, San Bernardino, CA 92407
   - API (2013): 740

**PRIVATE SCHOOL OVERVIEW**

The following public and private schools are located within five (5) miles from Rancho Palma, offering a variety of educational opportunities:

1. **Sunrise Christian School (K-6)**
2. **Gateway Education Center (K-12)**
3. **Our Lady of the Assumption (PK-8)**
4. **Regency High School at Shandlin Hills (9-12)**
5. **Northpark Christian Academy (PK-K)**
6. **Eagle Valley School (5-12)**
ACTIVELY SELLING

1. Alder Pointe | Express Homes by D.R. Horton
2. Aster at Rosena Ranch | Lennar
3. Autumn Villas | Maple Ventures IV LLC
4. Chaparral at Rosena Ranch | Lennar
5. Crest Pointe at Sky Ridge | Express Homes by D.R. Horton
6. Crimson at Sky Ridge | D.R. Horton
7. Cypress Pointe | Express Homes by D.R. Horton
8. Jubilee at Celebration Park | Lennar
9. Rosewood at Rosena Ranch | Lennar
10. Sage at Rosena Ranch | Lennar
11. Summit Crest | KB Home
12. Symphony at Celebration Park | Lennar
LAO has generally defined the Competitive Market Area (C.M.A.) as the new home communities within the cities of San Bernardino and northern Fontana, as well as the Master Planned community of Rosena Ranch, located in Unincorporated San Bernardino County. This determination was made predicting the home buyer that will be looking at Rancho Palma will most likely be looking at other similar communities within these trade areas. There are currently twelve (12) actively selling communities within the C.M.A. The average sales rate for the below communities is 5.59 sales per month.

<table>
<thead>
<tr>
<th>#</th>
<th>Community</th>
<th>City</th>
<th>Builder</th>
<th>Minimum Lot Size</th>
<th>Opening Date</th>
<th>Total Homes</th>
<th>Homes Sold</th>
<th>Homes Unsold</th>
<th>Monthly Sales Rate</th>
<th>Average Price</th>
<th>Average Price/Sq. Ft.</th>
<th>Average Sq. Ft.</th>
<th>Approx. Master HOA</th>
<th>Total Tax Rate with Assess.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Alder Pointe Bella Strada</td>
<td>Fontana</td>
<td>Express Homes by D.R. Horton</td>
<td>4,600</td>
<td>Sep-15</td>
<td>228</td>
<td>129</td>
<td>99</td>
<td>6.58</td>
<td>$391,990</td>
<td>$184</td>
<td>2,168</td>
<td>$129</td>
<td>2.10%</td>
</tr>
<tr>
<td>2.</td>
<td>Aster at Rosena Ranch</td>
<td>San Bernardino County (UI)</td>
<td>Lennar</td>
<td>5,000</td>
<td>Oct-13</td>
<td>175</td>
<td>165</td>
<td>10</td>
<td>4.10</td>
<td>$418,907</td>
<td>$183</td>
<td>2,319</td>
<td>$110</td>
<td>1.90%</td>
</tr>
<tr>
<td>3.</td>
<td>Autumn Villas</td>
<td>San Bernardino</td>
<td>Maple Ventures IV LLC</td>
<td>2,150</td>
<td>Jul-16</td>
<td>63</td>
<td>5</td>
<td>58</td>
<td>0.60</td>
<td>$344,517</td>
<td>$189</td>
<td>1,830</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>4.</td>
<td>Chaparral at Rosena Ranch</td>
<td>San Bernardino County (UI)</td>
<td>Lennar</td>
<td>4,500</td>
<td>Aug-12</td>
<td>76</td>
<td>66</td>
<td>10</td>
<td>1.20</td>
<td>$478,527</td>
<td>$159</td>
<td>3,079</td>
<td>$110</td>
<td>1.90%</td>
</tr>
<tr>
<td>5.</td>
<td>Crest Point at Sky Ridge</td>
<td>San Bernardino</td>
<td>Express Homes by D.R. Horton</td>
<td>7,000</td>
<td>Feb-17</td>
<td>85</td>
<td>18</td>
<td>67</td>
<td>8.21</td>
<td>$415,990</td>
<td>$183</td>
<td>2,302</td>
<td>$75</td>
<td>N/A</td>
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<tr>
<td>6.</td>
<td>Crimson at Sky Ridge</td>
<td>San Bernardino</td>
<td>D.R. Horton</td>
<td>7,000</td>
<td>Feb-17</td>
<td>67</td>
<td>19</td>
<td>48</td>
<td>8.69</td>
<td>$514,358</td>
<td>$160</td>
<td>2,851</td>
<td>$0</td>
<td>N/A</td>
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<td>7.</td>
<td>Cypress Pointe Bella Strada</td>
<td>Fontana</td>
<td>Express Homes by D.R. Horton</td>
<td>4,480</td>
<td>Sep-15</td>
<td>148</td>
<td>88</td>
<td>60</td>
<td>4.47</td>
<td>$415,740</td>
<td>$160</td>
<td>2,637</td>
<td>$129</td>
<td>2.10%</td>
</tr>
<tr>
<td>8.</td>
<td>Jubilee at Celebration Park</td>
<td>Fontana</td>
<td>Lennar</td>
<td>4,000</td>
<td>Nov-16</td>
<td>98</td>
<td>71</td>
<td>62</td>
<td>14.80</td>
<td>$370,573</td>
<td>$205</td>
<td>1,818</td>
<td>$0</td>
<td>1.20%</td>
</tr>
<tr>
<td>9.</td>
<td>Rosewood at Rosena Ranch</td>
<td>San Bernardino County (UI)</td>
<td>Lennar</td>
<td>5,000</td>
<td>Apr-16</td>
<td>100</td>
<td>84</td>
<td>16</td>
<td>7.20</td>
<td>$407,408</td>
<td>$224</td>
<td>1,836</td>
<td>$110</td>
<td>1.90%</td>
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<tr>
<td>10.</td>
<td>Sage at Rosena Ranch</td>
<td>San Bernardino County (UI)</td>
<td>Lennar</td>
<td>7,308</td>
<td>Jan-11</td>
<td>114</td>
<td>93</td>
<td>21</td>
<td>1.20</td>
<td>$377,500</td>
<td>$202</td>
<td>1,898</td>
<td>$110</td>
<td>1.90%</td>
</tr>
<tr>
<td>11.</td>
<td>Summit Crest</td>
<td>Fontana</td>
<td>KB Home</td>
<td>4,000</td>
<td>Feb-17</td>
<td>77</td>
<td>11</td>
<td>66</td>
<td>3.90</td>
<td>$437,240</td>
<td>$216</td>
<td>2,058</td>
<td>$180</td>
<td>1.95%</td>
</tr>
<tr>
<td>12.</td>
<td>Symphony at Celebration Park</td>
<td>Fontana</td>
<td>Lennar</td>
<td>4,000</td>
<td>Nov-16</td>
<td>67</td>
<td>29</td>
<td>38</td>
<td>6.10</td>
<td>$413,820</td>
<td>$173</td>
<td>2,404</td>
<td>$0</td>
<td>1.20%</td>
</tr>
</tbody>
</table>

**Total/Average:** 1,298 773 560 5.59 $415,548 $187 2,267 $87 1.79%

Sources: Zonda and Land Advisors research (Data as of 4/27/2017)
NEW HOME COMMUNITY PRICE GRAPH

Sources: Zonda and Land Advisors research (Data as of 4/27/2017)
## ACTIVELY SELLING NEW HOME COMMUNITIES

### ALDER POINTE BELLA STRADA
**EXPRESS HOMES BY D.R. HORTON**

- **Opened September 2015**

<table>
<thead>
<tr>
<th>PLAN</th>
<th>PRICE</th>
<th>PRICE PER SF</th>
<th>UNIT SIZE</th>
<th>BED</th>
<th>BATH</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>$365,490</td>
<td>$210</td>
<td>1,737</td>
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<td>2</td>
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<tr>
<td>2</td>
<td>$387,490</td>
<td>$190</td>
<td>2,038</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>$399,490</td>
<td>$173</td>
<td>2,312</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>4</td>
<td>$415,490</td>
<td>$161</td>
<td>2,584</td>
<td>4</td>
<td>3</td>
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<tr>
<td><strong>Average</strong></td>
<td><strong>$391,990</strong></td>
<td><strong>$184</strong></td>
<td><strong>2,168</strong></td>
<td><strong>3</strong></td>
<td><strong>2</strong></td>
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### ASTER AT ROSENA RANCH
**LENNAR**

- **Opened October 2013**

<table>
<thead>
<tr>
<th>PLAN</th>
<th>PRICE</th>
<th>PRICE PER SF</th>
<th>UNIT SIZE</th>
<th>BED</th>
<th>BATH</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>$392,690</td>
<td>$205</td>
<td>1,920</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>2</td>
<td>$418,740</td>
<td>$175</td>
<td>2,389</td>
<td>4</td>
<td>3</td>
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<tr>
<td>3</td>
<td>$445,290</td>
<td>$168</td>
<td>2,649</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>$418,907</strong></td>
<td><strong>$183</strong></td>
<td><strong>2,319</strong></td>
<td><strong>4</strong></td>
<td><strong>3</strong></td>
</tr>
</tbody>
</table>

Sources: Zonda and Land Advisors research (Data as of 4/27/2017)
### Autumn Villas

**Maple Ventures IV LLC**

**San Bernardino, CA**

<table>
<thead>
<tr>
<th>Plan</th>
<th>Price</th>
<th>Price per SF</th>
<th>Unit Size</th>
<th>Bed</th>
<th>Bath</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>$341,751</td>
<td>$196</td>
<td>1,740</td>
<td>3</td>
<td>2</td>
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<tr>
<td>2</td>
<td>$340,900</td>
<td>$189</td>
<td>1,800</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>$350,900</td>
<td>$180</td>
<td>1,950</td>
<td>3</td>
<td>2</td>
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</tbody>
</table>

**Average:** $344,517 $189 1,830 3 2

*Opened July 2016*

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### Chaparral at Rosena Ranch

**Lennar**

**Unincorporated San Bernardino County, CA**

<table>
<thead>
<tr>
<th>Plan</th>
<th>Price</th>
<th>Price per SF</th>
<th>Unit Size</th>
<th>Bed</th>
<th>Bath</th>
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<tbody>
<tr>
<td>1</td>
<td>$431,690</td>
<td>$203</td>
<td>2,129</td>
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<td>2</td>
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<tr>
<td>2</td>
<td>$453,240</td>
<td>$168</td>
<td>2,690</td>
<td>4</td>
<td>3</td>
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<tr>
<td>3</td>
<td>$456,140</td>
<td>$157</td>
<td>2,899</td>
<td>4</td>
<td>3</td>
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<td>4</td>
<td>$470,440</td>
<td>$157</td>
<td>2,994</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>5</td>
<td>$499,990</td>
<td>$159</td>
<td>3,152</td>
<td>5</td>
<td>4</td>
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<tr>
<td>6</td>
<td>$495,240</td>
<td>$142</td>
<td>3,489</td>
<td>5</td>
<td>3</td>
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<tr>
<td>7</td>
<td>$542,950</td>
<td>$129</td>
<td>4,199</td>
<td>6</td>
<td>4</td>
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</table>

**Average:** $478,527 $159 3,079 5 3

*Opened August 2012*

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Sources: Zonda and Land Advisors research (Data as of 4/27/2017)
## CREST POINTE AT SKY RIDGE

**EXPRESS HOMES BY D.R. HORTON**

<table>
<thead>
<tr>
<th>PLAN</th>
<th>PRICE</th>
<th>PRICE PER SF</th>
<th>UNIT SIZE</th>
<th>BED</th>
<th>BATH</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$399,990</td>
<td>$211</td>
<td>1,898</td>
<td>3</td>
<td>2</td>
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<tr>
<td>2</td>
<td>$421,990</td>
<td>$176</td>
<td>2,401</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>3</td>
<td>$425,990</td>
<td>$163</td>
<td>2,606</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td><strong>Average:</strong></td>
<td>$415,990</td>
<td>$183</td>
<td><strong>2,302</strong></td>
<td><strong>4</strong></td>
<td><strong>3</strong></td>
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</table>

Opened February 2017

---

## CRIMSON AT SKY RIDGE

**D.R. HORTON**

<table>
<thead>
<tr>
<th>PLAN</th>
<th>PRICE</th>
<th>PRICE PER SF</th>
<th>UNIT SIZE</th>
<th>BED</th>
<th>BATH</th>
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</thead>
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<td>$451,940</td>
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<td>2,474</td>
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<td>2</td>
<td>$491,455</td>
<td>$217</td>
<td>2,263</td>
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<td>3</td>
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<tr>
<td>3</td>
<td>$532,250</td>
<td>$186</td>
<td>2,861</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>4</td>
<td>$539,530</td>
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<td>3,124</td>
<td>4</td>
<td>3</td>
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<tr>
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<td>$556,615</td>
<td>$175</td>
<td>3,172</td>
<td>5</td>
<td>3</td>
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<tr>
<td><strong>Average:</strong></td>
<td>$514,358</td>
<td>$187</td>
<td><strong>2,779</strong></td>
<td><strong>4</strong></td>
<td><strong>3</strong></td>
</tr>
</tbody>
</table>

Sources: Zonda and Land Advisors research (Data as of 4/27/2017)
### CYPRESS POINTE BELLA STRADA
EXPRESS HOMES BY D.R. HORTON

Opened September 2015

<table>
<thead>
<tr>
<th>PLAN</th>
<th>PRICE</th>
<th>PRICE PER SF</th>
<th>UNIT SIZE</th>
<th>BED</th>
<th>BATH</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$392,490</td>
<td>$180</td>
<td>2,185</td>
<td>3</td>
<td>2</td>
</tr>
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<td>2</td>
<td>$407,490</td>
<td>$164</td>
<td>2,489</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>3</td>
<td>$425,990</td>
<td>$154</td>
<td>2,760</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>4</td>
<td>$436,990</td>
<td>$140</td>
<td>3,112</td>
<td>4</td>
<td>3</td>
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Average: $415,740 $160 2,637 4 3

### JUBILEE AT CELEBRATION PARK
LENNAR

Opened November 2016

<table>
<thead>
<tr>
<th>PLAN</th>
<th>PRICE</th>
<th>PRICE PER SF</th>
<th>UNIT SIZE</th>
<th>BED</th>
<th>BATH</th>
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<td>$355,290</td>
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<td>1,611</td>
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<td>2</td>
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<td>2</td>
<td>$376,640</td>
<td>$207</td>
<td>1,823</td>
<td>3</td>
<td>2</td>
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<tr>
<td>3</td>
<td>$379,790</td>
<td>$188</td>
<td>2,021</td>
<td>3</td>
<td>2</td>
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</table>

Average: $370,573 $205 1,818 3 2

Sources: Zonda and Land Advisors research (Data as of 4/27/2017)
## Rosewood at Rosena Ranch

**Lennar**

- **Opened April 2016**

<table>
<thead>
<tr>
<th>Plan</th>
<th>Price</th>
<th>Price Per SF</th>
<th>Unit Size</th>
<th>Beds</th>
<th>Baths</th>
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<td>$386,560</td>
<td>$249</td>
<td>1,555</td>
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<td>2</td>
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<td>$392,590</td>
<td>$220</td>
<td>1,782</td>
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<td>3</td>
<td>$414,690</td>
<td>$221</td>
<td>1,874</td>
<td>3</td>
<td>2</td>
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<tr>
<td>4</td>
<td>$435,790</td>
<td>$205</td>
<td>2,131</td>
<td>4</td>
<td>2</td>
</tr>
</tbody>
</table>

**Average:**

- **$407,408**
- **$224**
- **1,836**
- **3**
- **2**

---

## Sage at Rosena Ranch

**Lennar**

- **Opened January 2011**

<table>
<thead>
<tr>
<th>Plan</th>
<th>Price</th>
<th>Price Per SF</th>
<th>Unit Size</th>
<th>Beds</th>
<th>Baths</th>
</tr>
</thead>
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<td>$364,990</td>
<td>$229</td>
<td>1,597</td>
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<td>2</td>
</tr>
<tr>
<td>2</td>
<td>$369,631</td>
<td>$203</td>
<td>1,821</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>$397,880</td>
<td>$175</td>
<td>2,277</td>
<td>4</td>
<td>3</td>
</tr>
</tbody>
</table>

**Average:**

- **$377,500**
- **$202**
- **1,898**
- **3**
- **2**

---

Sources: Zonda and Land Advisors research (Data as of 4/27/2017)
### SUMMIT CREST

**KB HOME**

**FONTANA, CA**

<table>
<thead>
<tr>
<th>PLAN</th>
<th>PRICE</th>
<th>PRICE/SF</th>
<th>UNIT SIZE</th>
<th>BED</th>
<th>BATH</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$414,990</td>
<td>$246</td>
<td>1,689</td>
<td>3</td>
<td>2</td>
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<tr>
<td>2</td>
<td>$421,990</td>
<td>$231</td>
<td>1,826</td>
<td>3</td>
<td>2</td>
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<tr>
<td>3</td>
<td>$447,990</td>
<td>$200</td>
<td>2,236</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>4</td>
<td>$463,990</td>
<td>$187</td>
<td>2,481</td>
<td>3</td>
<td>2</td>
</tr>
</tbody>
</table>

**Average:** $437,240 $216 2,058 3 2

**Opened February 2017**

---

### SYMPHONY AT CELEBRATION PARK

**LENNAR**

**FONTANA, CA**

<table>
<thead>
<tr>
<th>PLAN</th>
<th>PRICE</th>
<th>PRICE/ SF</th>
<th>UNIT SIZE</th>
<th>BED</th>
<th>BATH</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$403,240</td>
<td>$183</td>
<td>2,203</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>2</td>
<td>$415,980</td>
<td>$172</td>
<td>2,419</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>3</td>
<td>$422,240</td>
<td>$163</td>
<td>2,590</td>
<td>4</td>
<td>3</td>
</tr>
</tbody>
</table>

**Average:** $413,820 $173 2,404 4 3

**Opened April 2016**

---

Sources: Zonda and Land Advisors research (Data as of 4/27/2017)
Below is the projected market life of the communities within the C.M.A. based on their monthly sales rates, assuming an average sales rate of 3.5 sales a month.

<table>
<thead>
<tr>
<th>Development</th>
<th>Product Type</th>
<th>Min. Lot Size</th>
<th>Total Units</th>
<th>Total Units Sold*</th>
<th>Remaining Units*</th>
<th>Monthly Sales Rate</th>
<th>Projected Sold Out Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rancho Palma Subject Property</td>
<td>Detached</td>
<td>5,000 SF</td>
<td>120</td>
<td>0</td>
<td>120</td>
<td>3.5</td>
<td>Q1 2021</td>
</tr>
</tbody>
</table>
| 1. Alder Pointe  
Express Homes by D.R. Horton                  | Detached     | 4,600 SF      | 228         | 129               | 99               | 3.5                | Q3 2019                 |
| 2. Aster at Rosena Ranch Lennar                  | Detached     | 5,000 SF      | 175         | 165               | 10               | 3.5                | Q2 2017                 |
| 3. Autumn Villas  
Maple Ventures IV LLC                         | Detached     | 2,150 SF      | 63          | 5                 | 58               | 3.5                | Q3 2018                 |
| 4. Chaparral at Rosena Ranch Lennar              | Detached     | 4,500 SF      | 76          | 66                | 10               | 3.5                | Q2 2017                 |
| 5. Crest Pointe at Sky Ridge Express Homes by D.R. Horton | Detached 7,000 SF | 85         | 18          | 67                | 3.5              | Q2 2021             |
| 6. Crimson at Sky Ridge D.R. Horton              | Detached 7,000 SF | 67         | 19          | 48                | 3.5              | Q2 2018             |
| 7. Cypress Pointe Express Homes by D.R. Horton    | Detached 4,480 SF | 148       | 88          | 60                | 3.5              | Q4 2019             |
| 8. Jubilee at Celebration Park Lennar            | Detached 4,000 SF | 98       | 71          | 27                | 3.5              | Q4 2017             |
| 9. Rosewood at Rosena Ranch Lennar               | Detached 5,000 SF | 100       | 84          | 16                | 3.5              | Q3 2017             |
| 10. Sage at Rosena Ranch Lennar                  | Detached 7,308 SF | 114      | 93          | 21                | 3.5              | Q4 2017             |
| 11. Summit Crest KB Home                         | Detached 4,000 SF | 77       | 6           | 71                | 3.5              | Q4 2018             |
| 12. Symphony at Celebration Park Lennar          | Detached 4,000 SF | 67       | 29          | 38                | 3.5              | Q4 2017             |

Sources: Zonda and Land Advisors research (*Data as of 4/27/2017)
Our resale analysis focuses on single-family detached sold resales in close proximity to Rancho Palma (Avg. 2,127 sq. ft.), sold within the past three (3) months. From the information gathered, the average price for resales in the immediate area of Rancho Palma is $372,103 with the average price per square foot being $184.

Sources: Redfin, MLS, and Land Advisors research
RESALE PRICE GRAPH

Sources: Redfin, MLS, and Land Advisors research

- Alder Pointe Bella Strada by Express Homes by D.R. Horton (4,600 sf)
- Aster at Rosena Ranch by Lennar (5,000 sf)
- Autumn Villas by Maple Ventures IV LLC (2,150 sf)
- Chaparral at Rosena Ranch by Lennar (4,500 sf)
- Crest Point at Sky Ridge by Express Homes by D.R. Horton (7,000 sf)
- Crimson at Sky Ridge by D.R. Horton (7,000 sf)
- Cypress Pointe Bella Strada by Express Homes by D.R. Horton (4,480 sf)
- Jubilee at Celebration Park by Lennar (4,000 sf)
- Rosewood at Rosena Ranch by Lennar (5,000 sf)
- Sage at Rosena Ranch by Lennar (7,308 sf)
- Summit Crest by KB Home (4,000 sf)
- Symphony at Celebration Park by Lennar (4,000 sf)
- Resales - Last 3 Months
- Linear (Resales - Last 3 Months)
Rancho Palma ("Subject Property") is a ±37.60-acre Residential and Commercial property within the Verdemont Community in the City of San Bernardino, County of San Bernardino. Of the ±37.60-acres, ±28.40 acres are planned for 120 single-family detached units as well as a private recreation center, and the remaining ±9.20-acres are zoned Commercial. This offering memorandum is focused on the 28.40 acres planned for residential use.

Rancho Palma is conveniently located northwest corner of Palm Avenue and West Little League Drive, northeast of Interstate 215 ("I-215"), and approximately 3 miles northwest of California State University San Bernardino. Due to its location along I-215, the Subject Property will provide its future residents with easy access to major jobs centers within the Inland Empire including San Bernardino, Ontario, and Ranch Cucamonga. Rancho Palma is also conveniently located within close proximity of major destination cities including Lake Arrowhead (26 miles away), Big Bear (41 miles away), and Palm Springs (63 miles away).

The San Bernardino City Unified School District ("SBUCSD") serves Rancho Palma, serving approximately 53,365 students, including 3,138 students from charter schools. SBCUSD consists of seventy six (76) schools including forty nine (49) elementary schools, eleven (11) middle schools, ten (10) high schools, one (1) adult school, three (3) special education schools, two (2) alternative programs, and twelve (12) charter schools.
**CITY INFO** SAN BERNARDINO

- **County:** San Bernardino
- **Area:** ± 59.65 Sq. Miles
- **Mayor:** R. Carey Davis
- **Incorporated:** August 10, 1869

**POPULATION** NEIGHBORHOOD OF VERDEMONT HISTORICAL

64,653

**MEDIAN HOUSEHOLD INCOME** NEIGHBORHOOD OF VERDEMONT HISTORICAL

$57,962

**DEMOGRAPHICS 2016**

- Median Household Income (Verdemont): $57,962
- Homeownership Rate (San Bernardino): 50%
- Median Age (San Bernardino): 30 years
- No. of Households (Verdemont): 18,786
- No. of Employees (San Bernardino): 149,264
- Unemployment Rate(San Bernardino): 7.40%

**TOP SCHOOLS BY API SCORE**

<table>
<thead>
<tr>
<th>School</th>
<th>2013 API</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary: Hillside</td>
<td>885</td>
</tr>
<tr>
<td>Middle: Cesar E. Chavez</td>
<td>769</td>
</tr>
<tr>
<td>High: Cajon</td>
<td>740</td>
</tr>
</tbody>
</table>

**WEATHER**

- Average High: 91°F
- Average Low: 61°F

Sources: City of San Bernardino, U.S. Census, and Land Advisors research
SAN BERNARDINO COUNTY OVERVIEW

Located on the eastern edge of the Los Angeles metropolitan region, San Bernardino County acts as the gateway between Southern California and the continental United States. Encompassing over 20,000 square miles, San Bernardino County is the largest county in the United States. About 90 percent of the county is desert; the remainder consists of the San Bernardino Mountains and the San Bernardino Valley. Popular attractions in the area include the San Bernardino National Forest, Joshua Tree National Monument, Death Valley National Monument, and the East Mojave Scenic Area. Its southwestern portions (the more urbanized part of San Bernardino County) are considered to be part of the Inland Empire region of Southern California, a bi-county area. The fast growing county has a population of 2,091,618 as of December 2015, (12th in the country but only 4th in the state), largely located in its more populated southwestern portions. San Bernardino County has the 5th largest population in the State of California and has grown 22% since 2000.

San Bernardino County has one of the largest networks of arterials in Southern California, which serve as the backbone of the transportation system connecting the local access system to the regional freeway network. Many major arterials in the Valley area carry significantly high daily traffic (ADT) volumes. In addition, the ports of Los Angeles and Long Beach, which are two of the busiest ports in the world, send and receive a large portion of the goods traveling into and out of the United States through San Bernardino County either by truck or rail. Ontario International Airport (ONT) is located 35 miles east of downtown Los Angeles on the western border of San Bernardino County. ONT is positioned amount the top 15 airports in North America and its location between major freeways makes this airport a preferred location for companies active in the air freight industry. ONT provides more than 380 daily flights to every major city in the United States and services over 7.2 million passengers annually.
As of December 2016, the unemployment rate in San Bernardino County is 0.30% higher than the national percentage of 4.70%.

Since 2000, the unemployment rate ranged from a low of 4.8% in 2006, to a high of 13.5% in 2010, back to a low of 4.70%.

In December 2015, the unemployment rate was ranked 23rd in San Bernardino County out of the 58 counties in the State of California, a position that has remained consistent over recent years.

A rise of 4,000 jobs were reported in the Leisure and Hospitality industries. Accommodation and Food Services accounted for roughly 58% of the increase, adding 2,300 jobs.

Trade, transportation and utilities registered the greatest month-over gain, adding 4,800 jobs.

Sources: County of San Bernardino, U.S. Census, and Land Advisors research
OFFERED DUE
Please submit offers in writing to:

Doug Jorritsma
Senior Vice President
CalBRE #00995382
📞 949.656.8004
📧 djorritsma@landadvisors.com

Winn Galloway
Vice President
CalBRE #01818044
📞 949.656.8016
📧 wgalloway@landadvisors.com

PURCHASE PRICE
Please submit all cash offer.

LETTER OF INTENT
The Subject Property shall be removed from the market upon the execution of a fully negotiated Purchase Contract.

FEASIBILITY PERIOD
Buyer shall have a Feasibility Period in which to investigate all aspects of the Property, including the physical condition of the Property. The Feasibility Period shall begin upon the execution of the Purchase Contract or Access Agreement.

It is the Seller’s intent to have the Feasibility Period Expire in 45 days from the execution of Access Agreement or 30 days from Purchase and Sale Agreement (PSA).

PROPERTY CONDITION AT CLOSE OF ESCROW
The Subject Property will be delivered “as is”.

CLOSE OF ESCROW
The Close of Escrow shall occur on or before 15 days after expiration of feasibility.

OFFER DETAILS
Please submit offer in the form of a Letter of Intent. Bids should identify the proposed Buyer, its principals and/or material aspects of its corporate organization. Buyer’s submission should include information regarding Buyer’s relevant experience and financial wherewithal, and its intended equity and debt sources for consummating the Transaction.

AS-IS SALE: NO REPRESENTATIONS AND WARRANTIES
The Property is being sold “as-is” with no representations or warranties from either the Seller or its Affiliates. The information provided is intended to help a Buyer develop an offer to purchase the Property, but the buyer must not rely on anything other than its own due diligence.

BROKERAGE FEE
The brokerage fees will be paid for by the Seller. No cooperating brokerage fees will be offered.

Seller expressly reserves the right, at their sole discretion, to reject any or all expressions of interest or offers to purchase the Subject Property and/or to terminate discussions with any party at any time with or without notice.
The information contained in this offering material (“Brochure”) is confidential, furnished solely for the purpose of a review by prospective purchaser of a portion of Assessor Parcel Nos. 0261-181-01, 0261-181-13, 0261-181-14, and 0261-181-15 associated with TTM 20006 within the City of San Bernardino, County of San Bernardino, California ("Property") and is not to be used for any other purpose or made available to any other person without the express written consent of Park Place Partners, Inc. d/b/a Land Advisors Organization ("Land Advisors"). The material is based in part upon information supplied by Strata Palma LLC ("Seller") and in part upon information obtained by Land Advisors from sources it deems reasonably reliable. Summaries of any documents are not intended to be comprehensive or all inclusive but rather only an outline of some of the provisions contained therein. No warranty or representation, expressed or implied, is made by Seller, Land Advisors Organization, or any of their respective affiliates, as to the accuracy or completeness of the information contained herein or as to engineering or environmental matters. Prospective purchasers should make their own projections and conclusions without reliance upon the materials contained herein and conduct their own independent due diligence, including engineering and environmental inspections, to determine the condition of the Property and the existence of any potentially hazardous material located at the site.

In this Brochure, certain documents and other materials are described in summary form. The summaries do not purport to be complete nor, necessarily, accurate descriptions of the full agreements involved, nor do they constitute a legal analysis of such documents. Interested parties are expected to independently review all documents.

This Brochure is subject to prior placement, errors, omissions, changes or withdrawal without notice and does not constitute a recommendation, endorsement or advice as to the value of the Property by Land Advisors Organization or the Seller. Each prospective purchaser is to rely upon its own investigation, evaluation and judgment as to the advisability of purchasing the Property described herein.

Seller and Land Advisors Organization expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers to purchase the property and/or to terminate discussions with any party at any time with or without notice. Seller shall have no legal commitment or obligation to any purchaser reviewing this Brochure or making an offer to purchase the Property unless a written agreement for the purchase of the Property has been fully executed, delivered and approved by the Seller and any conditions to Seller’s obligations there under have been satisfied or waived. Land Advisors Organization is not authorized to make any representations or agreements on behalf of Seller.

This Brochure is the Property of Land Advisors Organization and may be used only by parties approved by Land Advisors Organization. The Property is privately offered and, by accepting this Brochure, the party in possession hereof agrees (i) to return it to Land Advisors Organization immediately upon request of Land Advisors Organization or Seller and (ii) that this Brochure and its contents are of a confidential nature and will be held and treated in the strictest confidence. No portion of this Brochure may be copied or otherwise reproduced or disclosed to anyone without the prior written authorization of Land Advisors Organization and Seller.

The terms and conditions set forth above apply to this Brochure in its entirety.
A real estate broker, whether a corporation, partnership or sole proprietorship, (“Broker”) may represent more than one buyer or seller provided the Broker has made a disclosure and the principals have given their consent. This multiple representation can occur through an individual license as a broker or through different associate licensees acting for the Broker. The associates licensees may be working out of the same or different office locations.

Broker may be working with many prospective buyers at the same time. These prospective buyers may have an interest in, and make offers on, the same properties. Some of these properties may be listed with Broker and some may not. Broker will not limit or restrict any particular buyer from making an offer on any particular property whether or not Broker represents other buyers interested in the same property.

Broker (individually or through its associate licensees) may have listings on many properties at the same time. As a result, Broker will attempt to find buyers for each of those listed properties. Some listed properties may appeal to the same prospective buyers. Some properties may attract more prospective buyers than others. Some of these prospective buyers may be represented by Broker and some may not. Broker will market all listed properties to all prospective buyers whether or not Broker has another or other listed properties that may appeal to the same prospective buyers.

Buyer and Seller understand that Broker may represent more than one buyer or seller and even both buyer and seller on the same transaction.

If Seller is represented by Broker, Seller acknowledges that Broker may represent prospective buyers of Seller’s property and consents to Broker acting as a dual agent for both Seller and Buyer in that transaction.

If Buyer is represented by Broker, Buyer acknowledges that Broker may represent sellers of property that Buyer is interested in acquiring and consents to Broker acting as a dual agent for both Buyer and Seller with regard to that property.

In the event of a dual agency, Seller and Buyer agree that: (a) Broker, without the prior notice written consent of the Buyer, will not disclose to the Seller that the Buyer is willing to pay a price greater than the offered price; (b) Broker, without the prior written consent of the Seller, will not disclose to the Buyer that Seller is willing to sell property at a price less than the listing price; and (c) other than as set forth in (a) and (b) above, a Dual Agent is obligated to disclose known facts materially affecting the value or desirability of the property to both parties.

NON CONFIDENTIALITY OF OFFERS: Buyer is advised that Seller or Listing Agent may disclose the existence, terms, or conditions of Buyer’s offer unless all parties and their agent have signed a written confidentiality agreement. Whether any such information is actually disclosed depends on many factors, such as current market conditions, the prevailing practice in the real estate community, the Listing Agent’s marketing strategy and the instructions of the seller.

Seller and/or Buyer acknowledges reading and understanding this Disclosure and Consent for Representation of More than One Buyer or Seller and agree to the dual agency possibility disclosed.