

CASITAS LA VERNE MOBILEHOME ESTATES

3945 Bradford Street

La Verne, CA 91750

December, 2020

To: All Residents, Owners, Occupants, Prospective Residents, Dealers,
Real Estate Brokers and Agents, Lenders, Financial Institutions,
Vendors and All Other Interested Parties

DISCLOSURE REGARDING PARK CLOSURE

CAUTION!

WARNING – READ CAREFULLY!

PLEASE TAKE NOTICE that Casitas La Verne Mobilehome Estates (“the Park”) is scheduled to close on or before February 28, 2027. As a result, any right you may have to use or occupy a space at the Park may be terminated on or before that date. Below is a more detailed explanation of the reasons for the scheduled closure.

Casitas La Verne Mobilehome Estates is owned by Santiago Estates La Verne, a California Limited Partnership (“the Parkowner”). However, the Parkowner does ***not*** own the land on which the Park is located. The land is owned by the Stuart C. Wheeler 1986 Trust (“the Wheelers”). The Parkowner leases the land on which the Park is located pursuant to a 55-year lease with the Wheelers (“the Ground Lease”). The Ground Lease is scheduled to expire on February 28, 2027.

The Parkowner has asked the Wheelers to extend the Ground Lease beyond February 28, 2027, so the Park can remain open. However, the Wheelers have refused to enter into such an extension.

The Parkowner has also asked the Wheelers to sell the Park at its current fair market value, so the Park can remain open. Again, however, the Wheelers have refused to sell the Park.

Although the Wheelers could change their mind, their current position is that they expect the Parkowner to return raw land to them when the Ground Lease expires on February 28, 2027. Again, although the Wheelers could change their mind, they have also indicated that they have no interest in running a mobilehome park business after February 28, 2027.

According to the Wheelers, the Parkowner has no right to occupy the land on which the mobilehome park was built, after February 28, 2027. In addition to returning the raw land, the Wheelers have indicated the Parkowner's employees must vacate the premises on or before that date. Similarly, the Wheelers have also indicated the Parkowner must remove all personal property from the Park and terminate any third-party vendors at the Park by that date, including any and all gas, electric, water, sewer and other utility providers.

The City of La Verne has adopted a closure ordinance, which states the Parkowner may not post a sign advising the park is closing, unless the sign also advises the closure must be approved by the City. The state of California has adopted a closure law, which states the person or entity requesting closure could be required to buy the tenants' mobilehomes, if alternative locations for those mobilehomes are not available.

The Parkowner anticipates the City will approve any closure that is requested, because the ground lease expires on February 28, 2027, and because the Wheelers have expressed no interest in owning or operating a mobilehome park business after that date. The Parkowner believes also that if alternative locations are not available for the tenants' mobilehomes, any attempt to force the Parkowner to buy those mobilehomes would be in violation of the California and/or United States Constitutions.

It is not known at this time whether alternative locations will be available for the tenants' mobilehomes when the Park is closed. It is also unknown whether the value of the mobilehomes at the Park will increase or decrease by the time of closure. It is also not known whether the closure laws adopted by the City and/or the state of California are constitutional, either on their face, or as applied to the Park.

The uncertainty regarding alternative locations for the tenants' mobilehomes and/or the constitutionality of the state and local closure laws may have an adverse impact on the value of the mobilehomes at the Park. Because that adverse impact could be significant, the Parkowner is disclosing that possibility at this time.

Legal and other issues related to the closure of mobilehome parks in California may consume a considerable amount of time and resources. In the event of litigation regarding the closure of the Park, the prevailing party could be entitled to recover its attorneys' fees and courts costs from the losing party. Because the time and expense consumed with respect to the closure of the Park could be significant, the Parkowner is disclosing that possibility at this time.

Under the Mobilehome Residency Law, the transfer or sale of a mobilehome is subject to the transfer disclosure requirements in Civil Code Section 1102, et. seq., as well as an independent duty to disclose any information materially affecting the value and desirability of the mobilehome. For that reason, you are encouraged to consult with your attorney and/or other advisors regarding the impact of the disclosures set forth

herein on your duties with respect to the transfer or sale of any mobilehome you may be involved with in the state of California, including the transfer or sale of any mobilehome at the Park.

The Parkowner does not waive any rights with respect to any issue, including any issue related to the closure of the Park. To the contrary, the Parkowner specifically reserves all of its rights, including any right it may have to apply for any rent increase allowed by law, as well as any right it may have to challenge the Wheeler's interpretation of the Ground Lease and/or the constitutionality of any law regarding closure of the Park, either on its face, or as applied.

Thank you for your attention to this matter.

Casitas La Verne Mobilehome Estates

_____ Date	_____ Print Name: Current Homeowner	_____ Signature
_____ Date	_____ Print Name: Prospective Homeowner	_____ Signature
_____ Date	_____ Print Name: Prospective Homeowner	_____ Signature
_____ Date	_____ Print Name: Lender Representative	_____ Signature
_____ Date	_____ Print Name: Realtor/Broker	_____ Signature
_____ Date	_____ Print Name: Community Manager	_____ Signature