

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

In the matter of the application of

**WILLIAM LYON HOMES, INC.,
a California corporation**

for a Final Subdivision Public Report on

**MAP NO. 15455
"HIDEAWAY AT ST. CLOUD" PHASE 15
OVERALL DRE PHASE 32**

SAN DIEGO COUNTY, CALIFORNIA

**FINAL SUBDIVISION PUBLIC REPORT
CONDOMINIUM**

FILE No.: 158758LA-A01

ISSUED: OCTOBER 3, 2019

AMENDED: MARCH 17, 2020

EXPIRES: OCTOBER 2, 2024

DEPARTMENT OF REAL ESTATE

by 
Signature

JOSE LUA

Printed Name

CONSUMER INFORMATION

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

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

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

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

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

COMMON INTEREST DEVELOPMENT GENERAL INFORMATION

Common Interest Development

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

Governing Instruments

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

Assessments

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

Common Facilities

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

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

Subdivider Control

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

Cooperative Living

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

Informational Brochure

The Department of Real Estate publishes the 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 obtain a free copy of this brochure, please send your request to:

Book Orders
Department of Real Estate
P.O. Box 137006
Sacramento, CA 95813-7006

RE 646 (Rev. 12/99)

SPECIAL NOTES

THIS FINAL REPORT COVERS UNITS 273 THROUGH 277, INCLUSIVE, AND "ASSOCIATION PROPERTY" LOCATED WITHIN MODULE O WHICH IS A PORTION OF LOT 7 OF MAP NO. 15455 AS SHOWN ON THE CONDOMINIUM PLAN FOR THIS PHASE.

THIS FINAL REPORT COVERS REAL PROPERTY WHICH IS SITUATED WITHIN THE OVERALL COMMUNITY OF ST. CLOUD ("ST. CLOUD COMMUNITY" OR "SUBDIVISION"). THE ST. CLOUD COMMUNITY WAS PREVIOUSLY DEVELOPED WITH INFRASTRUCTURE IMPROVEMENTS AND SEVERAL HOMES BY JOHN LAING HOMES OTHERWISE KNOWN AS WL HOMES LLC, A DELAWARE LIMITED LIABILITY COMPANY ("ORIGINAL DEVELOPER"). ST. CLOUD RECOVERY ACQUISITION, LLC, A DELAWARE LIMITED LIABILITY COMPANY OBTAINED TITLE TO PORTIONS OF THE ST. CLOUD COMMUNITY PURSUANT TO A FORECLOSURE SALE FROM THE ORIGINAL DEVELOPER. IF DEVELOPED AS PLANNED, THE ST. CLOUD COMMUNITY WILL CONSIST OF DIFFERENT PRODUCT TYPES WHICH WILL BE MARKETING AND SOLD BY OTHER BUILDERS UNDER SEPARATE MARKETING NAMES. THE ST. CLOUD COMMUNITY IS PROPOSED TO BE 34.955 ACRES WITH APPROXIMATELY THREE HUNDRED FORTY-NINE (349) RESIDENTIAL CONDOMINIUM UNITS. THERE ARE NO GUARANTEES THAT THE ST. CLOUD COMMUNITY WILL BE CONSTRUCTED AS PRESENTLY PROPOSED.

HIDEAWAY AT ST. CLOUD ("HIDEAWAY PROJECT") IS BEING DEVELOPED BY WILLIAM LYON HOMES, INC., A CALIFORNIA CORPORATION ("WILLIAM LYON"). WILLIAM LYON WAS ASSIGNED THE RIGHT OF THE "DECLARANT" AS DEFINED IN THE DECLARATION (AS DEFINED BELOW). WILLIAM LYON MAY HEREINAFTER BE REFERRED TO AS THE "SUBDIVIDER" IN THIS CONDITIONAL REPORT. IF DEVELOPED AS PLANNED, HIDEAWAY AT ST. CLOUD WILL BE MARKETING AND SOLD BY WILLIAM LYON HOMES, INC. AND WILL CONSIST OF ONE HUNDRED TWENTY-TWO (122) CONDOMINIUMS. THERE IS NO GUARANTEE THAT THE HIDEAWAY PROJECT WILL BE CONSTRUCTED AS PRESENTLY PROPOSED.

GATE ACCESS. AN UNMANNED AUTOMATIC GATE FOR VEHICULAR AND PEDESTRIAN USE IS LOCATED AT ST. CLOUD WAY AND MESA DRIVE AT THE MAIN ENTRANCE INTO THE ST. CLOUD COMMUNITY. TWO FUTURE GATES, SERVING AS SECONDARY ACCESS, ARE PLANNED AT PACIFICA WAY, ALONG THE NORTHERLY EDGE OF THE ST. CLOUD COMMUNITY AT MESA DRIVE AND ALONG THE EASTERLY EDGE OF THE ST. CLOUD COMMUNITY AT OLD GROVE ROAD. THIS VEHICULAR AND PEDESTRIAN GATE IS NOT INTENDED TO PROVIDE SECURITY OR PRIVACY FOR PERSONS, PERSONAL PROPERTY OR RESIDENTS WITHIN THE ST. CLOUD COMMUNITY. SUBDIVIDER DOES NOT MAKE ANY REPRESENTATIONS OR WARRANTIES CONCERNING THE PRIVACY, SECURITY AND SAFETY OF THE ST. CLOUD COMMUNITY OR OWNERS NOR DOES THIS ACCESS GATE'S EXISTENCE INDICATE A DESIGN INTENDED TO PROVIDE SECURITY OR PRIVACY. NO REPRESENTATIONS OR WARRANTIES, EITHER

EXPRESS OR WRITTEN, ARE MADE BY SUBDIVIDER (A) AS TO THE DATE FOR COMPLETION OF THE ACCESS GATE, OR (B) THAT THE ACCESS GATE WILL PROVIDE PROTECTION OR SECURITY FOR THE SUBDIVISION, UNIT OR FOR ANY OWNER OR SUCH OWNER'S FAMILY, GUESTS, TENANTS, AGENTS, EMPLOYEES OR INVITEES, OR FOR ANY REAL OR PERSONAL PROPERTY BELONGING TO SUCH PERSONS.

SPECIAL INTEREST AREAS IN THIS FINAL REPORT: YOUR ATTENTION IS ESPECIALLY DIRECTED TO THE SECTIONS BELOW ENTITLED: MANAGEMENT AND OPERATION, MAINTENANCE AND OPERATIONAL EXPENSES, USES/ZONING/HAZARD DISCLOSURES, TAXES AND SCHOOLS.

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

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

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

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

OVERVIEW OF SUBDIVISION

Location:

The St. Cloud Community is located at Mesa Drive and Old Grove Road within the city limits of Oceanside, CA. Prospective purchasers should acquaint themselves with the kinds of city services available.

Type of Subdivision:

The St. Cloud Community 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 common area together with a membership in the St Cloud Homeowners Association, a California nonprofit mutual benefit corporation ("**Association**"), and rights to use the common area referenced as "**Association Property**."

About This Phase:

This is the 15th phase of the Hideaway Project, and also the overall 32nd DRE phase of the St. Cloud Community. This 15th phase consists of approximately 0.208 acres on which one (1) building containing 5 units and 5 garages will be constructed on Module O being a portion of Lot 7 of St. Cloud at Ocean Ranch, according to Map thereof No. 15455.

Common amenities and/or facilities consisting of buildings, porticos/walkways, lighting and landscaping will be constructed in this phase.

If developed as planned, the Hideaway Project will consist of multiple phases and containing approximately 122 units. The estimated completion date is November, 2020.

There is no assurance that the total Hideaway Project or the balance of the St. Cloud Community will be completed as proposed.

FUTURE DEVELOPMENT OF THE HIDEAWAY PROJECT 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 HIDEAWAY PROJECT 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" HIDEAWAY PROJECT PROJECTIONS DO NOT NECESSARILY COMMIT THE SUBDIVIDER TO COMPLETE THE HIDEAWAY PROJECT OR, IF COMPLETED, TO COMPLETE THE HIDEAWAY PROJECT AS SHOWN. THE SUBDIVIDER MAY SELL AT ANY TIME, ALL OR ANY PORTION OF THE LOTS OR CONDOMINIUM UNITS WITHIN THE HIDEAWAY PROJECT 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 condominiums in this Hideaway Project; however, any owner, including the Subdivider, has a legal right to rent or lease the condominiums.

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 INTERESTS 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 (CALIFORNIA CIVIL CODE SECTION 4540).

Completion of Common Area:

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

No escrows will close in this phase until completion of all Association property and 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 California Business and Professions Code to assure lien free completion of all common areas and common amenities in this phase.

This is a phased subdivision on one lot.

The Subdivider of this Hideaway Project has not furnished any financial guarantees that any residential units other than those in Building No.66 and will be completed.

If the Subdivider does not complete the remaining residential units in exact accordance with the recorded condominium plan, the interest you 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 ("**Contract**"), you should consult an attorney for advice.

The Subdivider advises that each purchaser and the Association will receive a 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 7 of Map No. 15455 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 CONTRACT 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 St. Cloud Community in accordance with the Amended, Superseded and Restated Covenants, Conditions and Restrictions for St. Cloud (“**Declaration**”), the Articles of Incorporation (“**Articles**”) and the Bylaws. In addition, the Association has the right to adopt rules and regulations and guidelines for the subdivision and which will include subdivision design/architectural guidelines which will set forth the guidelines and procedures for design/architectural review within the subdivision. There may also be supplementary declarations or notices of annexation (“**Supplementary Declarations**”) which will be recorded against portions of the subdivision which may set forth additional restrictions and easements covering the areas covered by the Supplementary Declaration(s) (the Declaration, Bylaws, Articles, Supplementary Declaration(s) and rules and regulations and design/architectural guidelines may hereinafter be referred to as the “**Governing Documents**”). You should review each of these documents carefully.

Existing Association: SINCE THE ASSOCIATION PROPERTY AND COMMON AREA IMPROVEMENTS, AMENITIES, AND FACILITIES ARE MAINTAINED BY THE ASSOCIATION, THE ASSOCIATION MUST HOLD ELECTIONS OF THE ASSOCIATION’S GOVERNING BODY IN ACCORDANCE WITH ITS GOVERNING DOCUMENTS. THE ASSOCIATION MUST ALSO PREPARE AND DISTRIBUTE TO ALL HOMEOWNERS A BALANCE SHEET AND INCOME STATEMENT AND A SUMMARY OF THE ASSOCIATION’S RESERVES BASED UPON THE MOST RECENT REVIEW OR

STUDY CONDUCTED PURSUANT TO SECTION 5500 ET SEQ OF THE CALIFORNIA CIVIL CODE.

The Declaration: This Phase of the Hideaway Project is subject to the Amended, Superseded and Restated Declaration of Restrictions of St. Cloud recorded in the Office of the San Diego County Recorder on April 10, 2007 as Instrument No. 2007-0240116, as amended October 5, 2007 as Instrument No. 2007-0646689 and amended November 8, 2007 as Instrument No. 2007-0711069, and the Supplementary Declaration of St. Cloud, Hideaway at St. Cloud, Phase 15 (Overall DRE Phase 32) recorded on September 9, 2019 as Instrument No. 2019-0383573, in the Office of the County Recorder of San Diego County. The same may be further modified, restated or amended (collectively, the “**Declaration**”).

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

Documents to be Furnished:

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

THE SUBDIVIDER STATED IT WILL FURNISH EACH INDIVIDUAL PURCHASER WITH THE CONDOMINIUM PLAN FOR HIS/HER UNIT.

TO THE EXTENT NOT PREVIOUSLY PROVIDE BY THE ORIGINAL DEVELOPER, 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 CALIFORNIA BUSINESS AND PROFESSIONS CODE)

THE SUBDIVIDER SHALL MAKE A COPY OF THE ARTICLES, BYLAWS AND THE DECLARATION 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 AND ALL OF THE GOVERNING DOCUMENTS BEFORE YOU OBLIGATE YOURSELF TO PURCHASE A CONDOMINIUM UNIT. (CALIFORNIA 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 Association Property, 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.

Budgets. Budgets were submitted for the management, maintenance and operation of the Association's obligations and for long-term reserves when the St. Cloud Community is substantially completed (built-out budget) and interim budgets applicable to these phases. These budgets were reviewed by the Department of Real Estate in February 2020.

Due to uncertainty in the sequence in which phases in the Hideaway Project will close escrows in individual housing types located in the overall Subdivision, it is difficult to predict at this time the amount of the monthly assessment which will be assessed against each condominium unit in the Hideaway Project and the overall St. Cloud Community.

As the overall Hideaway Project and the balance of the overall St. Cloud Community is developed and additional phases of the Hideaway Project and the balance of the overall St. Cloud Community become subject to assessment, the level of monthly assessments in existing phases of the Hideaway Project and the balance of the overall St. Cloud Community may increase or decrease, subject to the limitations in the Declaration or Bylaws. Under the interim budget on file with the Department of Real Estate, the range of monthly assessments during the development period is estimated to be between \$307.13 and \$320.00. Of these amounts, the monthly contribution toward long-term reserves which are not to be used to pay for current management, maintenance and operating expenses is estimated to be between \$91.69 and \$97.78.

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 Hideaway Project is substantially completed at which time it may be anticipated that assessments will be adjusted.

PRIOR TO THE CLOSE OF ESCROW FOR THE SALE OF YOUR CONDOMINIUM, THE SUBDIVIDER WILL PROVIDE YOU WITH A COPY OF THE BEST CASE BUDGET AND THE WORST CASE BUDGET INCLUDING A COPY OF THE ASSOCIATION'S OPERATING BUDGET FOR THE CURRENT FISCAL YEAR, IF APPLICABLE.

THIS PROJECT WILL USE THE RANGE OF ASSESSMENT PROCEDURE. THIS PROCEDURE IS SUBJECT TO REVIEW IF THE PROPOSED RANGE AMOUNTS (OR HOA'S ADOPTED REGULAR ASSESSMENT) FALLS BELOW OR EXCEEDS THE REGULAR ASSESSMENT AMOUNTS NOTED ON THE MOST CURRENT BUDGET REVIEW FORM, RE 660C CHANGE OR 24 MONTHS PASSES, WHICHEVER COMES FIRST.

A RESERVE STUDY WAS PREPARED FOR THIS PROJECT BY FORESIGHT FINANCIAL SERVICES, INC. ACCORDING TO THE STATEMENT FROM THE

RESERVE COMPANY, THE ESTIMATE FOR FUTURE RESERVE FUNDING IS \$36.00/UNIT/MONTH BY 12/31/2020 OR \$18.00/UNIT/MONTH BY 12/31/2021 BASED ON 233 UNITS AS OF 1/23/2020. **PROSPECTIVE PURCHASERS SHOULD CONSULT WITH A PROFESSIONAL AND CAREFULLY REVIEW THE ASSOCIATION'S FINANCIALS, RESERVE STUDY, AND ASSESMENT AND RESERVE FUNDING DISCLOSURE SUMMARY PRIOR TO ENTERING INTO A CONTACT TO PURCHASE.**

Association Adopted Budget A copy of the Association's current operating budget which was prepared and adopted by the Board of Directors of the Association was submitted to the DRE. This budget was reviewed by the DRE in February 2020, for adequately funded reserves and current operating expenses. The Association's current operating budget adopted for the fiscal year 2020 projects an annual assessment of \$810,108.00, of which the monthly assessment is \$314.00 per Unit per month. Of the annual assessment amount, the annual contribution toward long term reserves, which is not to be used to pay for the current maintenance, management and operating expenses is \$192,720.00, which comes to \$74.70 per unit per month for said reserve funding. The amounts set forth herein are subject to change. Subdivider does not control the Board of the Association, and has no control over whether changes to this budget will be made by the Association.

NOTE: THE BUDGET INFORMATION INCLUDED IN THIS PUBLIC REPORT IS APPLICABLE AS OF THE DATE OF BUDGET REVIEW AS SHOWN ABOVE. 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 (CALIFORNIA 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 California Civil Code Section 5300(b) must be made available for examination by a prospective Buyer before the execution of an offer to purchase a Lot. A copy of this financial information must also

be given to each Buyer as soon as practicable before close of escrow. YOU SHOULD PAY SPECIAL ATTENTION TO THIS FINANCIAL INFORMATION, AS IT PERTAINS TO CURRENT AND POSSIBLE FUTURE FINANCIAL OBLIGATIONS AFFECTING ALL HOMEOWNERS WITHIN THE ASSOCIATION. If you do not understand the contents of these financial documents, you may wish to consult with your own professional advisors. Should the amounts collected by the 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.

Exemption from Association Regular Assessments: The Declaration provides that the Subdivider or other owner of a subdivision interest (i.e., a Unit) will be allowed to defer from payment, that portion of any assessment which is directly attributable to any structural improvement and/or common facility that is not complete at the time assessments commence. The amount of the deferment may be a fixed amount, or may vary based upon dates of completion or use. Once the established criterion is met and the authority allowing the deferment is eliminated, all owners must pay the full amount of the monthly assessment as outlined herein. The limitations of this allowance are specifically set forth in the Declaration. (Regulation 2792.16c).

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

Assessment Increases/Decreases: The Association may increase or decrease assessments at any time in accordance with the procedure prescribed in the Declaration 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 Declaration. 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.

Initial Capital Contribution. In addition to the assessments payable under the Declaration, you will be required to pay an initial capital contribution in the amount of \$100.00 to the Association, as provided in **Section 6.23** of the Declaration. This initial capital contribution is not a prepayment of assessments or part of the purchase price of the Property but is used to fund the start-up costs for the Association. If you later sell the Unit, this amount is not refunded by the Association nor may it be recovered from a subsequent buyer of the Property.

Maintenance Reserve and Use Agreement. St. Cloud Recovery Acquisition, LLC, a Delaware limited liability company ("SCRA") entered into an agreement with the Association entitled "Lot B and Lot F Gate Maintenance Agreement" ("**Gate Maintenance Agreement**"). Under the Gate Maintenance Agreement, even though the Association owns the gates, SCRA (and its assignees) agreed to maintain, repair and paint the gates until May 31, 2020, as may be extended by agreement of the Association and Subdivider, and also has the right to keep the Lot B gate open from 10:00 A.M. to 6:00 P.M. seven days a week for marketing purposes and the right to keep the Lot F Gate open from 7:00 A.M. to 5:00 P.M. seven days a week for construction traffic. The Association is maintaining the landscaping located on Lot B and F where the gates are located and is collecting the reserves for the gates which are included in the Association Budget.

THE SUBDIVIDER SHOULD PROVIDE YOU WITH A COPY OF THIS AGREEMENT.

Reimbursement of Stormwater Security Agreement. In connection with the initial development of the St. Cloud Community, the City required security to be posted in the amount of \$25,000.00 ("Security Amount" or "Security") to assure performance under the Storm Water Agreement as described in the Declaration. If the Association fails to perform the storm water maintenance obligations under the Storm Water Agreement, the City has the right to cure such maintenance default and to use any Security funds on deposit with the City. If the City requires replenishment of any portion of the Security Amount, including if used by the City to cure a default by the Association, the Association shall be obligated to pay directly to the City the portion of the Security Amount used by the City and/or required to be posted by the City to ensure the City has the Security Amount available to the City. The Association shall pay such Security Amount within thirty (30) days after demand therefore from the City, and will then need to collect such amount from the owners as part of the Association.

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: Single-Family Residential; Preschool; Ivey Ranch Elementary School; Senior Housing Community; and Martin Luther King Skatepark
South: Business Park; Light Industrial and Vacant Land
East: Single-Family Residential/ Multi-Family Residential/Commercial and Vacant Land
West: Multi-Family Residential; School; Park; Business Park; Light Industrial and Vacant Land

Uses:

- A busy secondary street, Mesa Drive, is located at the Subdivision site.
- A busy secondary street, College Boulevard, is located approximately .75 miles east of the Subdivision.
- Highway 76 is located approximately 1 mile northwest of the Subdivision.
- San Luis Rey River is located approximately 1.5 miles northwest of the Subdivision.

Fuel Modification Areas/Fire Suppression. Various portions of the Subdivision as shown in the Declaration will be maintained as Fuel Modification Areas. The Association is responsible for maintaining these Fuel Modification Areas in accordance with the Fuel Modification Plan as described in the Declaration. However, fire hazards could result from the maintenance of these areas. You may be required to evacuate the Property in the event of a wildfire.

St. Cloud Community Activities, Lighting and Noise. It is anticipated that certain facilities within the Subdivision will have night lighting which will be used in the evenings to allow continued use of such facilities. Lighting may be visible from Units within the Subdivision. Noise generated by the use of these facilities may be heard from Units within the Hideaway Project. Subdivider makes no representations or warranties, express or implied, as to added safety or security within the Subdivision due to the installation of any lighting by the City or Subdivider.

Ivey Ranch Elementary School. Ivey Ranch Elementary School is located directly north of the Subdivision. There are fields at the elementary school which may be used for sports activities and other school events. The fields may be lighted at night. There may be noise, traffic and other congestion resulting from the use of the school sites. Buyer may be impacted by noise, lights, traffic and other impacts. For more information, contact the Oceanside Unified School District.

Martin Luther King Skatepark. The Martin Luther King Skatepark, which is located on Mesa Drive across from the Subdivision, has a pool, skate park, baseball/softball fields and other recreational area improvements. Residents of the Subdivision should anticipate that there will be sporting events, civic events, and other sporting activities at the park. The park open during daylight hours only and is lighted, and there may be noise, traffic, congestion and other nuisances arising from the uses of the park throughout the year. For more information, contact the City of Oceanside.

Commercial and Industrial Property. The Subdivision is located adjacent to property zoned for commercial or industrial uses. The commercial and industrial property may be developed to include light industrial, retail, grocery and other commercial businesses and the industrial property may be developed to include warehouses and other industrial businesses. Some of the existing businesses in the business park include manufacturing, industrial, bio-technical, and pharmaceutical uses, and other wholesale, packaging, distribution or general business uses. As such, neighboring land uses include without limitation, certain retail, and manufacturing, industrial, bio-technical and pharmaceutical uses, transportation activities involving hazardous and/or toxic materials not normally associated with suburban residential housing developments. The business park may have promotional activities which may create additional noise and nuisances.

Future Development of Adjacent Properties. The property to the south of the Subdivision is vacant land. No representations are made about future land uses on adjacent or nearby property. Plans for development or redevelopment of any adjacent property could have an effect on the Subdivision. Subdivider has no control over the land use or zoning of adjacent properties. Because general plans and zoning are subject to change, you are encouraged to check with the County or City Planning Departments or any other appropriate County or City Departments regarding proposed land uses surrounding and in the vicinity of the Subdivision.

Biogen Agreement. Each Buyer is advised that adjacent to the Subdivision is property owned by Genentech Inc. and/or Biogen Idec, Inc. ("**Genentech Property**"). Subdivider is advised that the Genentech Property is used for research, development, production, manufacturing, distribution and commercialization of bio-technical and pharmaceutical products and includes Genentech's "New Idec Manufacturing Operations" that has 500,000 square feet of laboratories, offices, warehouse and other facilities used in drug manufacturing. The uses on the Genentech Property may include the use or production of hazardous and/or toxic products or by-products as allowed in compliance with all applicable federal, state and local laws. In order to protect its uses on the Genentech Property, Biogen Idec, Inc. ("**Biogen**") and the Original Developer of the Subdivision entered into an Agreement of Covenants recorded on October 20, 2006 as Document No. 2006-0746727 in the Office of the County Recorder of San Diego County, against the entire Subdivision (the "**Agreement of Covenants**"). The Agreement of Covenants provides that in exchange for the Original Developer's plan of re-zoning of the real property that would become the Subdivision, and Biogen's agreement not to oppose the Original Developer's application for re-zoning, the Original Developer agreed to impose covenants and conditions on the Subdivision that permitted Biogen, and its successors in interest (including Genentech), to use the Genentech Property for biotechnical and pharmaceutical uses including, without limitation, the construction and possible future expansion of facilities for the research, development, production, manufacturing, distribution and commercialization of biotechnical and pharmaceutical products. Under the Agreement of Covenants, owners of homes within the Subdivision do not have the right to challenge, oppose or otherwise impeded the use, size, square footage, density, height or design of the Genentech Property. A copy of the Agreement of Covenants will be provided by Subdivider, and Buyer is encouraged to read the Agreement of Covenants for additional information.

Airports.

Bob Maxwell Memorial Field - Oceanside Municipal Airport. Oceanside Municipal Airport is a general aviation airport featuring a dual runway and fuel services located approximately 4 miles west of the Subdivision and operated by the City of Oceanside. The Subdivision will be subject to overflight of aircraft and helicopters operating from Oceanside Municipal Airport. Residents within the Subdivision may frequently see and hear aircraft or helicopters operating from Oceanside Municipal Airport that may cause interference with certain activities. The County of San Diego and the FAA may determine if future airport improvements for a runway extension or any other airport improvements implemented through the McClellan-Palomar Airport Master Plan. For more information please contact the Oceanside Municipal Airport, 480 Airport Road, Oceanside, CA 92058, please contact (760) 901-4260 or www.oceansidemunicipalairport.com.

McClellan-Palomar Airport. McClellan-Palomar Airport is a general aviation, corporate aircraft and commercial services airport located approximately 7 miles south of the Subdivision and operated by the County of San Diego. The Subdivision will be subject to overflight of aircraft and helicopters operating from McClellan-Palomar Airport. Residents within the Subdivision may frequently see and hear aircraft or helicopters operating from McClellan-Palomar Airport that may cause interference with certain activities. The County of San Diego and the FAA may determine if future airport improvements for a runway extension or any other airport improvements implemented through the McClellan-Palomar Airport Master Plan. For more information please contact the McClellan-Palomar Airport, 2192 Palomar Airport Road, Carlsbad, CA 92011, please contact (760) 431-4646 or www.sandiegocounty.gov.

SDG&E Power Substation Facility. Approximately 1.5 miles from the Subdivision, SDG&E has a high powerline substation facility. The approximately 5-acre site is located along El Camino Real near to the intersection of Mesa Drive. For additional information about the current or future development at the SDG&E substation, call (800) 411-7343.

Camp Pendleton. The Marine Corps Base Camp Joseph H. Pendleton is located approximately three (3) miles north from the Subdivision. Camp Pendleton is a large military facility with different parts of the base being utilized for various activities.

Due to the location, occupants can expect to see and hear aircraft approaching Marine Corp Air Station Camp Pendleton, which may interfere with certain activities on the site. It is important to realize there is no effective mitigation for exterior noise from over flight and other activities occurring at Camp Pendleton.

MCAS Camp Pendleton can operate 24 hours per day, 7 days per week. You are encouraged to contact Camp Pendleton for current hours of normal operations. Upon closure of other military bases some helicopter squadrons were relocated to MCAS Camp Pendleton.

Some military activities at Camp Pendleton utilizing explosives can occasionally be heard within the Subdivision and occasionally the resulting "boom" is large enough to rattle windows. You should be aware, however, that the location within the base, type of explosive and atmospheric conditions are significant as to whether a given location hears any of these activities. Weather

conditions may also amplify naval gunfire off San Clemente Island such that the sounds seem to originate from Camp Pendleton.

Camp Pendleton/Naval Weapons Station Fallbrook is approximately seven (7) miles from the Subdivision and is an active year round federal training facility for Marine Corp and Navy. The Subdivision may be subject to noise impacts, such as aircraft (jet and helicopters), use of explosives and troops activities. Amphibious exercises (storming the beach) occur at the coast, and hence any noise intrusion or other effects would be notable in Oceanside and San Onofre, generally not in the Subdivision.

Some military activities involving explosives may be detected in the Subdivision. Historically detectable activities occur only a few days a month.

The training activities conducted at Camp Pendleton are vital to the defense of the United States. Training at night is essential to the ability of the Marine Corps to successfully carry out this mission. In an order to limit the effects of night operations, night firing of large caliber weapons and use of aviation ordnance normally has a self-imposed curfew of 10:00 p.m. However, there will be exceptions when Camp Pendleton must operate after 10:00 p.m. In order to meet operational commitments, such as increased training schedules during periods when the United States is preparing for or in the midst of a war.

Hazards

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

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

Right to Farm: This property is located within one mile of a farm or ranch land designated on the current county-level GIS "Important Farmland Map", issued by the California Department of Conservation, Division of Land Resource Protection. Accordingly, the property may be subject to inconveniences or discomforts resulting from agricultural operations that are a normal and necessary aspect of living in a community with a strong rural character and a healthy agricultural sector. Customary agricultural practices in farm operations may include, but are not limited to noise, odors, dust, light, insects, the operation of pumps and machinery, the storage and disposal of manure, bee pollination, and the ground or aerial application of fertilizers, pesticides, and herbicides. These agricultural practices may occur during any 24-hour period. 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 California Civil Code or any pertinent local ordinance.

PURCHASERS SHOULD FAMILIARIZE THEMSELVES WITH THE SURROUNDING AREAS OF THE SUBDIVISION BEFORE SIGNING A 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 Declaration. In most instances, copies of documents can be provided to you upon request. Additionally, the preliminary report shows title, among other things, to be subject to the following:

Ocean Ranch Average Daily Trip Allocation Agreement. An agreement between some of the property owners within the Business Park was recorded on December 23, 2002 as Document No. 2002-1177095 ("Agreement"). This Agreement was prepared as part of the environmental review process by the City for the Ocean Ranch Community Master Development Plan. Such Agreement allocates the total number of City approved average daily trips among the parcels within such Ocean Ranch Community Master Development Plan. A Supplemental Declaration to Ocean Ranch Average Daily Trip Allocation Agreement which recorded on December 15, 2005 as Document No. 2005-1074564, allocates 2,792 average daily trips to the Subdivision. Subdivider is informed this number is consistent with the number of trips for an average multi-family residential project.

Easements: Easements for utilities, drainage, general street purposes, and other purposes are shown on the title report and subdivision map filed in the Office of the San Diego County Recorder, on October 13, 2006, as Map No. 15455 and the Condominium Plan for Hideaway at St. Cloud Phase 15 recorded on September 5, 2019 as Instrument No. 2019-0383572, in the Office of the County Recorder of San Diego County.

Amendments to the original condominium plan may also 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.

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

Mineral Rights: You will not own the water, mineral, oil, and gas rights under your land below a depth of 500 feet. These have been or will be reserved in 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: These special taxes appear on the yearly property tax bill, and are in addition to the tax rate affecting the property described above in the section entitled "Regular Taxes." This subdivision lies within the boundaries of the following districts and is subject to any taxes, assessments and obligations thereof:

Lighting Maintenance District No. 2-1991, Metropolitan Water District (Water Standby Charge), San Diego County Water Authority (Water Availability Charge), County of San Diego Health Services (Vector Control Assessment), County of San Diego Health Services (Mosquito Surveillance Assessment).

Community Facilities District No. 2000-1. This subdivision lies within the City of Oceanside Community Facilities District No. 2000-1 (Ocean Ranch Corporate Centre) 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 purchaser entering into a contract to purchase. This Notice contains important information about district functions, purchaser's obligations, rights of the district, and information on how to contact the district for additional materials. Purchasers should thoroughly understand the information contained in the Notice prior to entering into a contract to purchase.

The buyer has five days after delivery of this Notice by deposit in the mail, or three days after delivery of any notice in person, to terminate the purchase agreement/contract by giving written notice of that termination to the owner, Subdivider, or agent selling the property.

FINANCING

Pursuant to California 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.

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

PURCHASE MONEY HANDLING

The Subdivider must impound all funds (purchase money) received from you in an escrow depository until legal title is delivered to you. [Refer to California Business and Professions Code Sections 11013.4(a).]

If the escrow has not closed on your unit within one (1) year of the date of subdivider's acceptance of your offer, you may request the return of your purchase money deposit.

Note: Section 2995 of the California 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: the City of Oceanside Planning Department, 300 North Coast Highway, Oceanside, CA 92054.

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

Schools: This subdivision lies within the Oceanside Unified School District. If you need further information, please call (760) 966-4000. This District advises the schools initially available to this subdivision are:

Ivey Ranch Elementary School (Grades K-5)
4275 Via Rancho Road
Oceanside, California 92057
(760) 966-4800

Martin Luther King Middle School (Grades 6-8)
1290 Ivey Ranch Road
Oceanside, California 92057
(760) 901-8800

El Camino High School (Grades 9-12)
400 Rancho del Oro Drive
Oceanside, California 92057
(760) 901-8000

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 158758LA-A01
[FILE NUMBER]

MAP NO. 15455 "HIDEAWAY AT ST. CLOUD"
[TRACT NUMBER OR NAME]

PHASE 15 UNITS 273-277
[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 3, 2019
[DATE ISSUED]

MARCH 17, 2020
[DATE AMENDED]

[NAME]

[SIGNATURE]

[ADDRESS]

[DATE]