

*Department of Real Estate
of the
State of California*

**FINAL SUBDIVISION PUBLIC REPORT
PLANNED DEVELOPMENT**

In the matter of the application of

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

FILE NO.: 160022SA-F00

ISSUED: APRIL 16, 2020

EXPIRES: APRIL 15, 2025

for a Final Subdivision Public Report on

TRACT NO. 10467
"ELEV8TION" (PHASE 1)

DEPARTMENT OF REAL ESTATE

by



Jessica Monaghan

SANTA CLARA COUNTY, CALIFORNIA

CONSUMER INFORMATION

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

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

Section 12920 of the California Government Code provides that the practice of discrimination in housing accommodations on the basis of race, color, religion, sex, 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)

THIS FINAL SUBDIVISION PUBLIC REPORT COVERS PHASE 1 OF ELEV8TION ("SUBDIVISION" OR "ELEV8TION") WHICH CONSISTS OF CONDOMINIUM UNITS 2701 TO 2716, INCLUSIVE, ON LOT 27, AND LOTS 12 TO 15, INCLUSIVE (EACH A "RESIDENCE" OR COLLECTIVELY "RESIDENCES") OF TRACT NO. 10467. THE RESIDENCES ARE BEING DEVELOPED BY TAYLOR MORRISON OF CALIFORNIA, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY ("SUBDIVIDER").

IT IS IMPORTANT TO READ AND THOROUGHLY UNDERSTAND THIS FINAL SUBDIVISION PUBLIC REPORT PRIOR TO ENTERING INTO A PURCHASE AGREEMENT (TOGETHER WITH ALL ESCROW INSTRUCTIONS, ADDENDA AND AMENDMENTS, COLLECTIVELY, THE "CONTRACT") TO PURCHASE A RESIDENCE IN THE SUBDIVISION.

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

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

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

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

OVERVIEW OF SUBDIVISION

Location: This subdivision is located at San Aleso Avenue and West Ahwanee Avenue within the city limits of Sunnyvale, California. Prospective purchasers should acquaint themselves with the kinds of city services available.

Type of Subdivision: This subdivision is a common-interest development consisting of Detached Homes, Condominium Units and Duets, as defined the CC&Rs. It includes common areas and amenities which will be maintained by an incorporated association.

Interests to Be Conveyed: You will receive fee title to a specified Residence, together with a membership in the Elev8tion Homeowners Association ("**Association**") and rights

to use common area. Owners of Condominium Units will also receive an undivided fractional interest as a tenant in common in common area.

About This Phase: This public report is for the first phase which consists of approximately 0.79 acres divided into 20 Residences and common area, which consists of a portion of Lot 27.

Common amenities consisting of landscaping, concrete walkways, a mailbox, walls, a trash enclosure and exterior lighting will be constructed on common area in this phase.

Common amenities specific to Condominium Units consisting of a trash enclosure, decorative iron, and exterior lighting will be constructed on common area in this phase.

Additional common amenities consisting of a recreation building (Lot A) in the fifth phase will be constructed.

There is an easement for access, ingress and egress over the private streets (Lots F, G and J) until title is conveyed to the Association, subject to the Private Street Maintenance and Reserve Agreement. See the Streets and Roads section below for more information.

This phase is part of a total subdivision which, if developed as proposed, will consist of a total of six phases containing 118 Residences (two Detached Homes, 20 Duets and 96 Condominium Units) within the overall projected subdivision. The estimated completion date of the overall projected subdivision is January 2021.

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

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

DUE TO THE INABILITY TO PREDICT FUTURE MARKET CONDITIONS WITH ACCURACY, THERE ARE NO ASSURANCES THAT THE SUBDIVISION WILL BE BUILT AS CURRENTLY PLANNED, OR PURSUANT TO ANY PARTICULAR BUILD-OUT SCHEDULE. TOPOGRAPHICAL MAPS IN THE SALES OFFICE, LOT PLOTTING MAPS, MAPS OFFERED BY SUBDIVIDER AND OTHER FORMS SHOWING "COMPLETE" SUBDIVISION PROJECTIONS DO NOT NECESSARILY COMMIT THE SUBDIVIDER TO COMPLETE THE SUBDIVISION OR, IF COMPLETED, TO COMPLETE THE SUBDIVISION AS SHOWN. THE SUBDIVIDER MAY SELL AT ANY TIME, ALL OR ANY PORTION OF THE RESIDENCES WITHIN THE SUBDIVISION TO ANY THIRD PARTY, INCLUDING OTHER DEVELOPERS OR BUILDERS.

Sale of All Lots and Residences: The Subdivider has indicated that Subdivider intends to sell all of the Lots and Residences in this subdivision; however, any owner, including the Subdivider, has a legal right to rent or lease the Lots and Residences.

SUBDIVIDER AND PURCHASER OBLIGATIONS: IF YOU PURCHASE FIVE OR MORE RESIDENCES FROM THE SUBDIVIDER, THE SUBDIVIDER IS REQUIRED TO NOTIFY THE REAL ESTATE COMMISSIONER OF THE SALE. IF YOU INTEND TO SELL YOUR RESIDENCE OR LEASE IT FOR TERMS LONGER THAN ONE YEAR, YOU ARE REQUIRED TO OBTAIN AN AMENDED FINAL PUBLIC REPORT BEFORE YOU CAN OFFER THE RESIDENCE FOR SALE OR LEASE.

NOTE: WHEN YOU SELL YOUR RESIDENCE TO SOMEONE ELSE, YOU MUST GIVE THAT PERSON A COPY OF THE DECLARATION OF RESTRICTIONS, ARTICLES OF INCORPORATION, THE BYLAWS AND A TRUE STATEMENT CONCERNING ANY DELINQUENT ASSESSMENTS, PENALTIES, ATTORNEYS FEES OR OTHER CHARGES, PROVIDED BY THE RESTRICTIONS OR OTHER MANAGEMENT DOCUMENTS ON THE RESIDENCE 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 Arrangements of Common Area: The Subdivider has posted a bond for the common amenities in this phase acceptable to the Department of Real Estate to assure completion of common area improvements located outside the Residences, as described in the Planned Construction Statement attached to the bond.

For Condominium Units on a portion of Lot 27: No escrows will close until the condominium building in this phase has been completed and a Notice of Completion has been filed and all claim of liens have expired. If the period for all claim of liens has not expired a title policy (paid by the Subdivider) shall be issued to each purchaser and the Association containing an endorsement against all claims of liens (Section 11018.5 of the California Business & Professions Code).

For Lots 12 to 15, inclusive: No escrows will close until the cluster residential structure which contains your lot’s residential structure has been completed, as evidenced by a Notice of Completion (as defined in Civil Code Section 8182) being recorded covering all lots in the cluster. And, the statutory period for recordation of all mechanic’s lien claims has expired, or, you are provided a policy of title insurance with an endorsement insuring against mechanic’s liens. Lots are in the following clusters in this phase:

- Lots 12 and 13, inclusive
- Lots 14 and 15, inclusive

The Subdivider estimates all common amenities, including the condominium building and cluster residential structures in this phase, will be completed by approximately May 2020.

The Subdivider has also posted a bond for future phase common area, the recreation building (Lot A) and private streets (Lots F, G and J), acceptable to the Department of Real Estate to assure completion of these common area improvements, as described in the Planned Construction Statement attached to the bond. The estimated completion date is November 2020.

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 PURCHASER OR THE PURCHASER'S DESIGNEE UNDER TERMS MUTUALLY AGREEABLE TO THE PROSPECTIVE BUYER AND SELLER.

MANAGEMENT AND OPERATION

Association Obligations and Governing Documents: The Association, of which you become a member at time of purchase, is governed by and manages, maintains, and operates the subdivision in accordance with the Covenants, Conditions and Restrictions (the "**CC&Rs**"), 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 CC&Rs, 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.

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

The CC&Rs: This subdivision is subject to the Declaration of Covenants, Conditions and Restrictions for Elev8tion ("**CC&Rs**") recorded on April 6, 2020 as Instrument No. 24448377, in the Office of the Santa Clara County Recorder, which include among other provisions, the following:

Section 4.2	Animals
Section 4.3	Antenna and Satellite Dish Equipment
Section 4.7	Disclosure – High Pressure Gas Transmission Line
Section 4.8	Disclosure – Seismic Hazard Mapping Act Zone for Liquefaction
Section 4.17	Parking and Vehicle Restrictions
Section 4.26	Solar Energy Systems

Section 4.30	Sub-meters for Water
Section 5.2	Maintenance of Cost Center Areas
Section 5.4.2	Maintenance of Duets
Article VI	Architectural Review and Approval Procedures
Article IX	Assessments

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

TO SECURE FINANCING FOR THIS SUBDIVISION ACCEPTABLE FOR ACQUISITION BY FNMA, FHA, VA AND OR FHLMC IT HAS BEEN NECESSARY FOR THE SUBDIVIDER TO INCORPORATE INTO THE DECLARATION AND OTHER MANAGEMENT INSTRUMENTS, PROVISIONS WHICH GIVE THE MORTGAGE LENDER A VOICE IN THE AFFAIRS OF THE HOMEOWNER'S ASSOCIATION AND IN THE MANAGEMENT AND OPERATION OF THE SUBDIVISION WHICH A LENDER DOES NOT ORDINARILY HAVE.

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

FOR RESIDENCES ON LOT 27 (CONDOMINIUM UNITS): THE SUBDIVIDER STATED THAT SUBDIVIDER WILL FURNISH EACH INDIVIDUAL PURCHASER WITH THE CONDOMINIUM PLAN.

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

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

MAINTENANCE AND OPERATIONAL EXPENSES

Association to Levy Assessments: THE ASSOCIATION HAS THE RIGHT TO LEVY ASSESSMENTS AGAINST YOU FOR MAINTENANCE OF THE COMMON AREAS, AMENITIES AND FACILITIES, AND OTHER PURPOSES. YOUR CONTROL OF OPERATIONS AND EXPENSES IS LIMITED TO THE RIGHT OF YOUR ELECTED REPRESENTATIVES TO VOTE ON CERTAIN PROVISIONS AT ASSOCIATION MEETINGS.

Proposed Budgets: The Subdivider has submitted budgets for the maintenance and operation of the Association obligations and for long-term reserves when the community is substantially completed (built-out budget) and an interim budget applicable to this phase. These budgets were reviewed by the Department of Real Estate in March 2020. You should obtain copies of these budgets from the Subdivider.

Under the built-out budget, the monthly assessment against each Residence will be approximately \$117.00. The Association may or may not elect to use this budget when additional phases are annexed. Under the interim budget, the monthly assessment per Residence will be approximately \$143.00. Of these amounts, the monthly contributions toward long-term reserves are not to be used to pay for current management, maintenance and operating expenses are approximately \$22.00 and \$7.00, respectively.

Proposed Cost Center Budget (for Condominium Units): A Cost Center Budget (as defined in the CC&Rs) has been established to cover those portions of the expenses only for the Cost Center Areas of the project. Subject to change, the Cost Center Areas will include maintenance and insurance for the Condominium Buildings, garbage services and related expenses for the benefit of the Condominium Buildings and Owners of Condominium Units. The Cost Center Budget is in addition to the Proposed Budget figures described above. Under the built-out Cost Center Budget, the monthly assessment against each condominium unit ranges from approximately \$184.00 to \$233.00. The Association may or may not elect to use this budget when additional phases are annexed. Under the interim budget, the monthly assessment per condominium unit ranges from approximately \$198.00 to \$252.00. Of these amounts, the monthly contributions toward long-term reserves are not to be used to pay for current management, maintenance and operating expenses are approximately \$91.00 and \$93.00, respectively.

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

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

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

NOTE: EXPENSES OF OPERATION 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 RESIDENCES 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 & 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 Residence. A copy of this financial information must also be given to each Buyer as soon as practicable before close of escrow. YOU SHOULD PAY SPECIAL ATTENTION TO THIS FINANCIAL INFORMATION, AS IT PERTAINS TO CURRENT AND POSSIBLE FUTURE FINANCIAL OBLIGATIONS AFFECTING ALL HOMEOWNERS WITHIN THE SUBDIVISION 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.

Exemptions from Association Regular Assessments: The CC&Rs provide that the Subdivider or other owner of a subdivision interest 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 CC&Rs. (Regulation 2792.16c).

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

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

Commencement of Assessments: Regular assessments (and Cost Center Assessments for Condominium Units) payable to the Association will commence on all Residences in this phase on the first day of the month following the conveyance of the first Residences in the phase. The Subdivider must pay assessments to the Association for all unsold Residences. (Regulations 2792.9 and 2792.16).

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

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

Subsidy Agreement: The Subdivider has entered into an agreement with the Association to temporarily subsidize a portion of your monthly assessment. The subsidy "shall commence on the date assessments commence for Residences in Phase 1, and shall terminate (without further action by Declarant and without further notice to the Association) on the first occurrence of the following: (a) The last day of the sixth (6th) month following the commencement of Assessments on Residences in Phase 1; or (b) The date on which Assessments have begun for Phase 2 that includes the sale of the twenty-first (21st) Residence in the Project." The Subsidy Agreement may be extended in accordance with the terms and provisions of the Agreement.

During the term of the Agreement, the amount of the monthly subsidy for each Residence "will be the difference (if any) between the then-currently monthly Regular Assessment as listed in the Budget (as may be adjusted by the Association's Board of Directors), and Ninety-Six and 00/100 Dollars (\$96.00) (the "**Subsidized Assessment**")." The Subsidy paid by the Subdivider will not apply to Cost Center Assessments or expenses, or inflationary increases in the budget or maintenance costs.

The Subdivider has posted a bond to cover its obligations under the Agreement. You may request a copy of the Subsidy Agreement from the Subdivider. You should be aware that the Subsidy Agreement could expire prior to your purchase of a Residence, in which case the amount of the monthly installment of the Regular Assessments to be paid by you will increase to the full amount assessable against each Residence in such Phase.

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: The Subdivider advises that the following zoning exists within or near this subdivision:

North: Commercial, light industrial uses, Highway 101

South: Commercial, light industrial uses, proposed future townhomes

East: Single-family residential

West: Commercial

Uses: The Subdivider advises that the following uses exist within or near this subdivision:

- Commercial and light industrial uses immediately north and south
- Commercial uses immediately west
- North Mathilda Avenue to the west approximately 500 feet is a major thoroughfare
- Highway 101 is to the north approximately 1,600 feet

Hazards: The Subdivider advises that the following hazards exist within or near this subdivision:

- High pressure gas line runs under the project

Soil and Groundwater Contamination. The subdivision is located on a portion of property previously occupied by Ampex Corporation that manufactured electronics and other equipment ("Site"). The Site was listed as a closed cleanup program site in 2005 on the State Water Resources Control Board's GeoTracker website (http://geotracker.waterboards.ca.gov/profile_report.asp?global_id=SL18352772) due to a reported volatile organic compound ("VOC") plume below the Site. Although the Site was closed in 2005, investigations conducted at the Site in 2006 detected elevated VOCs and petroleum hydrocarbons ("TPH") in the groundwater in addition to 2 leaking underground storage tanks located upgradient/upstream from the Site. Environmental site assessments were conducted in 2016 and 2018 which identified concentrations of VOCs, metals, organochlorine pesticides and TPHs in soils samples below applicable screening levels. Groundwater samples identified trichloroethylene ("TCE") levels above maximum contaminant levels but was not considered a concern for the proposed redevelopment of the Site. Based on opinions of the soils engineers, the Site was deemed appropriate for residential development and as a precautionary measure Subdivider has installed a vapor barrier and venting system below the foundations of the buildings and

homes to prevent any gases permeating the living spaces above. The vapor barriers below the condominium buildings will be maintained by the Association while the vapor barriers below the duets and detached homes will be maintained by the lot owners.

The Subdivider has advised that all or portions of the subdivision subject to this Public Report are located within a *Seismic Hazard Zone (for Liquefaction)*. Additionally, the Subdivider has advised that prospective purchasers within this Zone will be provided a separate disclosure required under Public Resources Code Section 2694.

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

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 can vary from person to person. You may wish to consider what airport annoyances, if any, are associated with the property before you complete your purchase and determine whether they are acceptable to you.

California Business & Professions 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.

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 Residence you are purchasing. Those items typically shown on a report include, but are not limited to, general and special taxes, easements, mechanic liens, monetary encumbrances, trust deeds, utilities, rights of way and CC&Rs. 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:

- The terms and provisions contained in the document entitled "Master Declaration for Title 7 & Dispute Resolution for Elev8tion" recorded April 6, 2020 as Document No. 24448378 of Official Records.

Easements: Easements for emergency vehicle access, public utility, public sidewalk, private vehicular and pedestrian ingress and egress, avigation and incidental purposes and other purposes are shown on the preliminary report and subdivision map, Tract No. 10467 - Elev8tion, recorded on March 25, 2019, in the Office of the Santa Clara County Recorder. Adjustments to the original subdivision map(s) may also be recorded. You may ask the Subdivider about such changes. If you purchase a lot subject to said adjustment, this information will be included in your title policy.

For Condominium Units on a portion of Lot 27: easements are also shown on a Condominium Plan recorded on April 6, 2020 as Instrument No. 24448376, in the Office of the Santa Clara County Recorder. 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.

TAXES

Regular Taxes: The maximum amount of any tax on real property that can be collected annually by counties is 1% of the full cash value of the property. With the addition of interest and redemption charges on any indebtedness, approved by voters prior to July 1, 1978, the total property tax rate in most counties is approximately 1.25% of the full cash value. In some counties, the total tax rate could be well above 1.25% of the full cash value. For example, an issue of general obligation bonds previously approved by the voters and sold by a county water district, a sanitation district or other such district could increase the tax rate.

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

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

Notice of Your 'Supplemental' Property Tax Bill

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

Special Taxes & Assessments: This subdivision lies within the boundaries of the following districts and is subject to any taxes, assessments and obligations thereof:

- SCVWD Clean Safe Creeks
- Santa Clara Valley Water District Flood Control
- Santa Clara County Vector Control District
- Sunnyvale Elementary School District Parcel Tax - Measure BB 2018
- Fremont Union High School District Parcel Tax - Measure J 2014
- San Francisco Bay Restoration Authority (Tax Measure AA Clean and Healthy Bay Parcel Tax)

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."

FINANCING

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

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

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

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

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

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

Adjustable Rate Loan: The Subdivider may assist you in arranging financing from a federal or state regulated lender which will make loans that allow the interest rates to

change over the life of the loan. An interest rate increase ordinarily causes an increase in the monthly payment that you make to the lender. The lender will provide you with a disclosure form about the financing to assist you in the evaluation of your ability to make increased payments during the term of the loan. This disclosure form will be furnished to you at the time you receive your loan application and before you pay a nonrefundable fee.

Affordable Housing Program: This Subdivision is subject to the "Below Market Rate Housing Developer Agreement and Declaration of Restrictive Covenants" recorded March 21, 2019 as Document No. 24139645, as amended by the "First Amendment to Below Market Rate Housing Developer Agreement and Declaration of Restrictive Covenants" recorded March 5, 2020 as Document No. 24421772, both of Official Records of Santa Clara.

There will be Residences offered below market rate which will be subject to city financing requirements and resale restrictions. It is strongly advised for purchasers of these Residences to review these restrictions, in addition to other requirements, imposed by the City of Sunnyvale.

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 Purchase Money received from you in an escrow depository until legal title is delivered to you, except for such amount as the Subdivider has covered by furnishing a bond to the State of California. [Refer to California Business & Professions Code Section 11013, 11013.1, 11013.2(a), 11013.2(c)]

If the escrow has not closed on your Residence within twelve (12) months of the date of the Subdivider's acceptance of your purchase agreement you may request the return of your Purchase Money deposit.

THE CONTRACT INTENDED FOR USE BY THE SUBDIVIDER INCLUDES A PROVISION WHERE THE SELLER (SUBDIVIDER) MAY IN ITS SOLE AND ABSOLUTE DISCRETION GRANT THE BUYER AN EXTENSION OF THE CLOSING DATE. UNDER THIS PROVISION THE BUYER SHALL PAY A SPECIFIED DOLLAR AMOUNT PER DAY (EXTENSION FEE) FOR EACH DAY THE ESCROW IS EXTENDED.

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 RESIDENCES IN THIS SUBDIVISION.

SOILS AND GEOLOGIC CONDITIONS

Soils and geologic information is available at the City of Sunnyvale Community Development Department.

CALIFORNIA IS SUBJECT TO GEOLOGIC HAZARDS SUCH AS LANDSLIDES, FAULT MOVEMENTS, EARTHQUAKE SHAKING, RAPID EROSION, OR SUBSIDENCE. THE UNIFORM BUILDING CODE, APPENDIX CHAPTER 33, PROVIDES FOR LOCAL BUILDING OFFICIALS TO EXERCISE PREVENTIVE MEASURES DURING GRADING TO ELIMINATE OR MINIMIZE DAMAGE FROM SUCH GEOLOGIC HAZARDS. THIS SUBDIVISION IS LOCATED IN AN AREA WHERE SOME OF THESE HAZARDS MAY EXIST. SOME CALIFORNIA COUNTIES AND CITIES HAVE ADOPTED ORDINANCES THAT MAY OR MAY NOT BE AS EFFECTIVE IN THE CONTROL OF GRADING AND SITE PREPARATION.

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

UTILITIES AND OTHER SERVICES

Water: City of Sunnyvale

Sewage Disposal: City of Sunnyvale

Gas and Electricity: PG&E

Telephone: AT&T

Fire Protection: City of Sunnyvale

Streets: 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.

Private Street Maintenance and Reserve Agreement: The initial maintenance and conveyance of certain private streets (Lots F, G and J) in the subdivision will be performed in accordance with the Private Street Maintenance and Reserve Agreement ("**Private Street Agreement**") between the Association and Subdivider, a copy of which will be on file with the Association, and Easement Deed (Private Streets – Temporary) recorded April 7, 2020 as Instrument No. 24448550 in the Office of Santa Clara County Recorder.

Subdivider's Private Street Agreement Security: The Subdivider has posted a bond as partial security for their obligations per the terms of the Private Street Agreement. The governing body of the Association should assure itself that the Subdivider has satisfied these obligations to the Association before agreeing to a release or exoneration of the security.

Schools: This subdivision lies within the Sunnyvale School District for grades K-8. This district advises that the schools initially available to this subdivision are the following:

Kindergarten through 5th Grade:

Bishop Elementary School
450 N. Sunnyvale Avenue
Sunnyvale, CA 94085
408-522-8229

6th through 8th Grade:

Columbia Middle School
739 Morse Avenue
Sunnyvale, CA 94085
408-522-8247

This subdivision lies within the Fremont Union High School District for grades 9-12. This district advises that the school initially available to this subdivision is the following:

Fremont High School
575 W. Fremont Avenue
Sunnyvale, CA 94087
408-522-2400

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

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 North
1651 Exposition Blvd.
Sacramento, CA 95815
(916) 576-3374

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 160022SA-F00
[FILE NUMBER]

TRACT NO. 10467
[TRACT NUMBER OR NAME]

"ELEV8TION" (PHASE 1)
[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:

APRIL 16, 2020 [DATE ISSUED] [DATE AMENDED]
[NAME]
[SIGNATURE]
[ADDRESS]
[DATE]