

*Department of Real Estate
of the
State of California*

**FINAL SUBDIVISION PUBLIC REPORT
CONDOMINIUM**

In the matter of the application of

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

FILE NO.: 167088SA-F00

ISSUED: MAY 6, 2022

EXPIRES: MAY 5, 2027

for a Final Subdivision Public Report on

TRACT NO. 10511 (PORTION OF LOT 2)
"OV8TION" (PHASE 12)

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

RE 646 (Rev. 12/99)

THIS FINAL SUBDIVISION PUBLIC REPORT COVERS PHASE 12 OF OV8TION ("SUBDIVISION" OR "OV8TION") WHICH CONSISTS OF CONDOMINIUM UNITS 41 THROUGH 45 LOCATED IN BUILDING 9, (EACH A "RESIDENCE" OR COLLECTIVELY "RESIDENCES") AND ASSOCIATION PROPERTY, ALL LOCATED ON A PORTION OF LOT 2 OF TRACT NO. 10511. 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: Ov8tion is located at AMD Place and Duane 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 Condominiums, as defined the CC&Rs. It includes common areas and amenities (defined as "Association Property" in the CC&Rs) which will be maintained by an incorporated association.

Interests to Be Conveyed: You will receive fee title to a Condominium Unit, an undivided fractional interest as a tenant in common in common area, easement rights for use over, across and upon exclusive use areas, together with a membership in the Ov8tion Homeowners Association ("**Association**") and rights to use common area (described as "Association Property" in the CC&Rs).

About This Phase: This public report is for the twelfth (12th) phase which consists of approximately 0.18 acres on which will be constructed one building containing (5) Condominium Units and common area, which consists of a portion of Lot 2.

Common amenities consisting of landscaping, private drives, concrete walkways, and lighting will be constructed on common area in this phase. The estimated completion date is July 2022.

An easement has been recorded for access, ingress and egress over the private streets (portions of Lot 2 of the Map shown as "San Remo Terrace," "Saint Remi Terrace," "Delhi Terrace," "Darwin Terrace" and alleys/courtyards) 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 twenty (20) phases containing 107 Residences within the overall projected subdivision. The estimated completion date of the overall projected subdivision is April 2023.

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

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).

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**” or “**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 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 will be subject to the Declaration of Covenants, Conditions and Restrictions for Ov8tion ("CC&Rs") recorded February 1, 2021 as Instrument No. 24810456, the First Amendment to Declaration of Covenants, Conditions and Restrictions for Ov8tion recorded September 2, 2021 as Instrument No. 25088137 and the Declaration of Annexation and Supplemental Restrictions for Ov8tion – Phase 12 ("**Annexation**)", recorded March 23, 2022 as Instrument No. 25267198, all in the Office of the Santa Clara County Recorder, which include among other provisions, the following:

Section 4.3	Animals
Section 4.4	Antenna and Satellite Dish Equipment
Section 4.7	Disclosure – Seismic Hazard Mapping Act Zone for Liquefaction
Section 4.8	Disclosure – County Designated Zone of Potential Liquefaction
Section 4.16	Parking and Vehicle Restrictions
Section 4.25	Solar Energy Systems
Section 4.30	Sub-meters for Water
Section 4.33	Disclosure – Environmental Conditions
Section 5.2	Maintenance of Exclusive Use Area
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.

THE SUBDIVIDER STATED THAT SUBDIVIDER WILL FURNISH EACH INDIVIDUAL PURCHASER WITH THE CONDOMINIUM PLAN THAT DEPICTS THE CONDOMINIUM UNIT TO BE PURCHASED.

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 GOVERNING DOCUMENTS 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 August 2021. You should obtain copies of these budgets from the Subdivider.

Under the built-out budget, the monthly assessment against each Residence will be approximately \$344.00. The Association may or may not elect to use this budget when additional phases are annexed. Under the interim budget applicable to this phase, the monthly assessment per Residence will be approximately \$289.00. 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 \$111.80 and \$103.49, 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: THE BUDGET INFORMATION INCLUDED IN THIS PUBLIC REPORT IS APPLICABLE AS OF THE DATE OF BUDGET REVIEW AS SHOWN ABOVE. 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). DELINQUENCIES OF TEN PERCENT (10%) OR MORE IN THE COLLECTION OF REGULAR ASSESSMENTS MAY RESULT IN THE ASSOCIATION HAVING INSUFFICIENT FUNDS TO PROPERLY OPERATE AND MAINTAIN THE COMMUNITY AS WELL AS CREATE A LACK OF ADEQUATE RESERVES TO REPAIR AND/OR REPLACE COMMON AREAS. IN SUCH EVENT, THE ASSOCIATION MAY HAVE TO IMPOSE SPECIAL ASSESSMENTS AND/OR INCREASE THE AMOUNT OF THE REGULAR ASSESSMENTS TO MEET THE SHORTFALLS BROUGHT ABOUT BY DELINQUENT ASSESSMENTS. IN THE EVENT THAT THERE ARE DELINQUENCIES OF TEN PERCENT (10%) OR MORE IN THE COLLECTION OF REGULAR ASSESSMENTS, PURCHASERS WILL BE PROVIDED WITH A STATEMENT PREPARED BY THE BOARD OF DIRECTORS ABOUT THE AMOUNT OF ANY DELINQUENT ASSESSMENTS OWED TO THE ASSOCIATION PRIOR TO ENTERING INTO A CONTRACT TO PURCHASE (CALIFORNIA BUSINESS & PROFESSIONS CODE SECTION 11018.6(f)).

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 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.

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: Single Family Residential across East Duane Avenue

South: Mid-rise Residential Apartment

East: Multi Family residential neighborhoods

West: Multi Family residential neighborhoods

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

- At the core of the AMD development, the Subdivider will be constructing a 6.5-acre Public Park (to be complete by December 2021) for dedication to the City of Sunnyvale.

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

- Proximity to the major thoroughfare of East Duane Avenue.
- The site is roughly two miles from US Highway 101 and within two miles of the El Camino, a major surface street that connects San Jose and the Peninsula.

Vapor Intrusion Mitigation System. Due to past off-site releases of volatile organic compounds (VOCs) onto the subdivision site, the groundwater at the site was impacted. The primary contaminants of concern include tetrachloroethylene (PCE) and trichloroethylene (TCE) and their degraded by-products. In 1994, the Regional Water Quality Control Board (RWQCB) issued a “no further action” letter noting that the groundwater VOCs migrated from off-site sources. However, the VOCs off-gassed from the groundwater plume resulting in elevated soil gas VOCs that required corrective actions to be implemented during construction of the Subdivision including installation of vapor intrusion mitigation systems (“**VIMS**”) beneath all buildings in the Subdivision, and the installation of sub-slab vent piping beneath the VIMS that will be connected to vent risers that extend to outlets at the roof level of the buildings. Based on opinions of the environmental engineers, the site is deemed appropriate for residential development and, as noted above, corrective measures include the installation of the VIMS that will be

operated as an “active” system to vent gases permeating from below the foundations and which is achieved through the means of mechanical equipment such as pumps and/or blowers located on each building. Residents may experience noise and other annoyances from the operation of the “active” system including alarms if the VIMS requires maintenance or it malfunctions. If, in the future and in the discretion of the RWQCB, the “active” system is no longer required, the VIMS may be vented utilizing a “passive” venting system without the need of mechanical equipment. Maintenance of the VIMS will be the responsibility of the Association as set forth in the CC&Rs of the Declaration and will be regularly inspected in accordance with the approved operations, maintenance and monitoring manual on file with the Association. Residents and the Association are prohibited from conducting certain activities such as pumping of groundwater, excavation or digging where groundwater may be encountered, and excavation or digging that may interfere or damage the VIMS.

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 California 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.

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 Dispute Resolution Declaration for Ov8tion" recorded February 1, 2021 as Instrument No. 24910567 in the Office of Official Records.
- Easements, Covenants and Conditions contained in the deed from 1090 East Duane Avenue LLC, a Delaware limited liability company, as Grantor, to Taylor Morrison of California, LLC, a California limited liability company, as Grantee, recorded June 1, 2020 as Document No. 24492981 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. 10511 1 AMD Place Redevelopment for Condominium Purposes" filed for record on December 10, 2019 in Book 927 of Maps, Pages 48-56 and Condominium Plan for Ov8tion Phase 12 recorded March 18, 2022 as Instrument No. 25264001 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 Residence, 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 Residence subject to said adjustment, this information will be included in your title policy.

Mineral Rights: The water, mineral, oil, minerals, mineral rights, natural gas rights and other hydrocarbons under the property below a depth of 500 feet have been reserved. These have been or will be reserved as per the association 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 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 Residence 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 Residence 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
- Sunnyvale Elementary School District Parcel Tax – Measure BB 2018
- 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 17, 2019 as Document No. 24306693, in 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 Contract 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: Comcast or 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 (portions of Lot 2 of the Map shown as "San Remo Terrace," "Saint Remi Terrace," "Delhi Terrace," "Darwin Terrace" and alleys/courtyards) 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. A temporary Easement for Private Streets recorded February 8, 2021 as Document No. 24820863, provides access to the Residences until the private streets are conveyed to the Association.

Schools: As of the date of this Public Report, the Subdivider advises that the Subdivision will be served by the following districts (each, a “**School District**”): Santa Clara Unified School District (<https://www.sesd.org/>) (408) 522-8200; and Fremont Union High School District (<https://www.fuhisd.org/>; (408) 522-2200). Children living in the Subdivision may be going to any of the schools in any of these School Districts, and it is possible that children living in the same building may attend schools in different School Districts. Because boundaries of the School Districts may change, Subdivider strongly advises that purchasers directly contact the School Districts to determine whether the Property falls within the boundaries of the School District, the current information regarding school assignments, facilities and bus service.

No Solar Energy Systems: Subdivider will not be offering to install solar energy systems in the Subdivision. Buyer should read Section 4.25 of the CC&Rs if you are interested in installing a solar energy system for the Residence.

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 167088SA-F00
[FILE NUMBER]

TRACT NO. 10511 (PORTION OF LOT 2)
[TRACT NUMBER OR NAME]

"OV8TION" (PHASE 12)
[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:

MAY 6, 2022
[DATE ISSUED] [DATE AMENDED]

MAY 5, 2027
[EXPIRATION DATE] [NAME]

[SIGNATURE]

[ADDRESS]

[DATE]