

BUYER'S DISCLOSURE STATEMENT

CITY OF HAYWARD INCLUSIONARY HOUSING PROGRAM

The City of Hayward (the "City") has adopted an Inclusionary Housing Ordinance that makes it possible for moderate income households like yours to buy a house at a price that is affordable. The price that you are paying for your house is below the market rate, as required by the Inclusionary Housing Ordinance.

In exchange for giving you the opportunity to buy your house at a below-market affordable price, the City will require you to sign a Promissory Note, Deed of Trust and a Buyer's Occupancy and Resale Restriction Agreement with Option to Purchase (the "Resale Restriction Agreement"). **The Deed of Trust and the Resale Restriction Agreement will be recorded against your property.** These documents are enforceable by the City. In general, the Deed of Trust and the Resale Restriction Agreement ("the Agreement") set forth conditions that you must meet, including but not limited to the following:

- Your new home must be your main place of residence. This means you must live in your home for at least nine (9) months out of each calendar year. You are not allowed to lease or rent your home to anyone, unless you ask the City in writing and the City permits you to rent your home (in writing). (See Section 3 (Owner Occupancy and Leasing of Home) of the Agreement).
- The Agreement places controls on the sale of your home. There is a limit to the price at which you can sell the home. This limited price is called the "Maximum Restricted Resale Price" (See Section 11 (Determination Of Maximum Restricted Resale Price For City Purchase Or Restricted Sale) of the Agreement).
- If you decide sell or transfer your home, you must promptly notify the City by sending the City a "Notice of Intent to Transfer" (See Section 7 (Notice of Intended Transfer; Preparation of Home for Sale) of the Agreement).
- When you sell your home there are two (2) different ways that the sale can take place:
 - The City chooses to use its option to purchase your house at the Maximum Restricted Resale Price or assigns the option to a third party who purchases the house at the Maximum Restricted Resale Price.
 - You sell the home for the Maximum Restricted Resale Price to someone who meets specific income requirements like you had to meet. This buyer is called an "Eligible Purchaser" in the Agreement.
- The requirements that are in the Agreement apply until the earlier of (i) forty-five (45) years from the date the Agreement is recorded against title to your home, or (ii) the date you sell or transfer your home in accordance with the Agreement and the Deed of Trust. (See Section 21 (Term of Agreement) of the Agreement). If you own and live in your home for the whole forty-five (45)-year term, all of the requirements of the Agreement go away.
- By signing the Agreement, you agree to keep your home and landscaping in good repair and in neat, clean, and orderly condition and to prevent deterioration of the home. (See Section 4 (Maintenance) of the Agreement).

- The City has the right to inspect your home and otherwise monitor your compliance with the Agreement. (See Section 26 (Monitoring and Inspection by the City) of the Agreement).
- You agree to keep a standard homeowner's insurance policy. Your insurance policy must name the City as an "additional insured" and "loss payee" and be in an amount equal to the replacement value of the home. (See Section 5 (Insurance Proceeds) of the Agreement).
- The Agreement allows you to refinance your first mortgage loan but requires you to follow certain procedures and places restrictions on the amount received by you from the refinancing. (See Section 24 (Refinance of First Lender Loan; Subordinate Loans) of the Agreement).
- The Agreement allows you to place a second mortgage or equity line of credit on your home, subject to the requirement that the total of debt secured against your home will not cause the total of all debt secured against your home to exceed the Permitted Refinance Amount, as defined in the Agreement. (See Section 24 (Refinance of First Lender Loan; Subordinate Loans) of the Agreement).
- This Disclosure Statement explains the major provisions of the Promissory Note and Agreement so that you will understand their requirements. **You should, of course, read the entire Promissory Note, the Agreement, and the Deed of Trust and become completely familiar with them.**

Please sign this Buyer's Disclosure Statement in the space provided below, and keep a signed copy for your records, and return the original to the City at the following address:

City of Hayward
 Community and Economic Development Department
 777 "B" Street
 Hayward, CA 94541-5-77
 Attn: Housing Development Specialist

I have read and understand the above Buyer's Disclosure Statement.

By: _____ Dated: _____
 Signature of Buyer

 Print Name of Buyer

By: _____ Dated: _____
 Signature of Buyer

 Print Name of Buyer