

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 160769SA-F00
[FILE NUMBER]

"SoHay - Front" (Phase 3), Tract 8428, SoHay , Alameda County, CA

[TRACT NUMBER OR NAME]

Overall Phase 9

[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:

March 24, 2020

[DATE ISSUED]

[DATE AMENDED]

[NAME]

[SIGNATURE]

[ADDRESS]

[DATE]

*Department of Real Estate
of the
State of California*

**FINAL SUBDIVISION PUBLIC REPORT
CONDOMINIUM**

In the matter of the application of

WILLIAM LYON HOMES, INC.,
a California corporation

FILE NO.: 160769SA-F00

ISSUED: MARCH 24, 2020

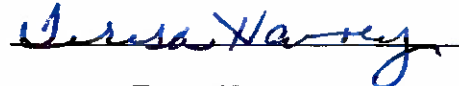
EXPIRES: MARCH 23, 2025

for a Final Subdivision Public Report on

TRACT 8428, SOHAY
a.k.a. "SOHAY- FRONT" (PHASE 3)

DEPARTMENT OF REAL ESTATE

ALAMEDA COUNTY, CALIFORNIA

by 
Teresa Harvey

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 FOR "SOHAY- FRONT" (PHASE 3) (THE "**SUBDIVISION**" OR "**SOHAY – FRONT**") COVERS LOT 1 OF TRACT 8428, WHICH INCLUDES CONDOMINIUM UNITS 14 THROUGH 24, INCLUSIVE, AND ANY ASSOCIATION PROPERTY, AND CONDOMINIUM COMMON AREA AS THOSE TERMS ARE DEFINED IN THE DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND RESERVATION OF EASEMENTS FOR SOHAY, AND ANY AMENDMENTS THERETO ("**DECLARATION**"), THE SUBDIVISION IS BEING DEVELOPED BY WILLIAM LYON HOMES, INC., A CALIFORNIA CORPORATION (THE "**SUBDIVIDER**") AND IS PART OF THE OVERALL COMMUNITY KNOWN AS SOHAY ("**SOHAY**" OR "**COMMUNITY**") WHICH IS ALSO PLANNED TO BE DEVELOPED BY THE SUBDIVIDER.

SPECIAL INTEREST AREAS IN THIS FINAL SUBDIVISION PUBLIC REPORT: YOUR ATTENTION IS ESPECIALLY DIRECTED TO THE PARAGRAPHS BELOW ENTITLED: CONDITIONAL SUBDIVISION PUBLIC REPORT, MANAGEMENT AND OPERATION, MAINTENANCE AND OPERATIONAL EXPENSES, SUBSIDY, USES/ZONING/HAZARD DISCLOSURES, SPECIAL TAXES AND ASSESSMENTS AND PURCHASE MONEY HANDLING AND OTHER SERVICES.

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

CONDITIONAL SUBDIVISION PUBLIC REPORT: IF YOU ENTERED INTO A PURCHASE AGREEMENT/CONTRACT TO PURCHASE OR LEASE AN INTEREST IN THE SUBDIVISION UNDER AUTHORITY OF A CONDITIONAL SUBDIVISION PUBLIC REPORT ("**CONDITIONAL PUBLIC REPORT**"), THE PURCHASE AGREEMENT/CONTRACT AND THE ESCROW INSTRUCTIONS 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 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 Valle Vista Avenue and Mission Boulevard within the city limits of Hayward, CA. Prospective purchasers should acquaint themselves with the kinds of city services available.

Type of Subdivision: This subdivision is a common-interest development of the type referred to as a condominium. It includes common areas, common facilities and common amenities which will be maintained by an incorporated association.

Interests to Be Conveyed: You will receive fee title to a specified unit, an undivided fractional interest as tenant in common in the Condominium Common Area in this phase described on the Condominium Plan, together with a membership in the Association and rights to use the Association Property (as defined in the Declaration) and a membership in the Association and rights to use the Association Property (as defined in the Declaration).

About This Phase: This public report is for the 3rd phase of the SoHay – Front subdivision, a cohesive condominium development (aka Community). This phase of SoHay – Front (Phase 3) consists of approximately 0.36+/- acres divided into 11 units in addition to the Association Property as defined in the Declaration and described and depicted on the Condominium Plan.

This phase is part of the total SoHay subdivision which, if developed as proposed, will consist of a total of 32 phases containing 400 condominium units within the overall projected subdivision. The estimated completion date of this phase, SoHay – Front (Phase 3), is June, 2020.

Association Property improvements and/or facilities consisting of landscaping, landscaping irrigation, rain barrel, stormwater/bio-retention drainage system, trees, concrete pavement, gravel pavement, HVAC screens, fire alarm panel, string lights, benches, roofing, gutters and downspouts, deck railings will be constructed in this phase. The estimated completion date for these improvements and this phase is June, 2020.

The estimated completion date of the overall Community is December, 2023.

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

FUTURE DEVELOPMENT OF THE SUBDIVISION AND MASTER COMMUNITY 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 OR COMMUNITY 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 AND COMMUNITY OR, IF COMPLETED, TO COMPLETE THE SUBDIVISION AND COMMUNITY AS SHOWN. THE SUBDIVIDER MAY SELL AT ANY TIME, ALL OR ANY PORTION OF THE CONDOMINIUM UNITS WITHIN THE SUBDIVISION AND COMMUNITY TO ANY THIRD PARTY, INCLUDING OTHER DEVELOPERS OR BUILDERS.

Subdivider's Completion of the Common Area Improvements in the SoHay Community and Lot 3 of Tract 8428 Security: The subdivider has posted a bond in the amount of \$14,409,169.00 to assure completion of the improvements described in the Planned Construction Statement attached to the bond. The estimated completion date for these improvements is April 2021.

The governing body of the Master Association should assure itself that the Subdivider has satisfied these obligations to the Master Association with respect to the completion of the improvements before agreeing to a release or exoneration of the security.

Sale of All Residences: The Subdivider has indicated that it intends to sell all of the units in this Subdivision; however, any owner, including the Subdivider, has a legal right to rent or lease the units (subject to restrictions of the Declaration).

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

NOTE: WHEN YOU SELL YOUR CONDOMINIUM UNIT TO SOMEONE ELSE, YOU MUST GIVE THAT PERSON A COPY OF THE DECLARATION OF RESTRICTIONS, ARTICLES OF INCORPORATION, 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 CONDOMINIUM UNIT 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 (CIVIL CODE SECTION 4540).

Completion of Association Property: The Subdivider estimates all common facilities in this phase will be completed by approximately June, 2020.

No escrows will close until all Association Property improvements, including any amenities, and facilities in this phase have been completed or, as an alternative, the subdivider has submitted a bond or other security acceptable to the Department of Real Estate under the provisions of Section 11018.5 of the Business and Professions Code to assure lien free completion of all Association Property, and common amenities, in this phase of this subdivision.

The subdivider has posted a bond in the amount of \$14,409,169.00 to assure lien-free completion of all common area improvements throughout the SoHay Community referenced as SoHay, Tracts 8428, 8444, 8445, 8446 and 8447 including those located on Lot 1 of Tract 8428.

NOTWITHSTANDING ANY PROVISION IN THE PURCHASE 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.

Residential Solar Energy Program: Units covered by this public report will be offered with a roof-top solar array and other equipment that converts solar energy to household electricity (each a "system"). The system will be owned by others for you to use under a prepaid Power Purchase Agreement ("PPA"). Subdivider has elected to prepay the energy that will be produced by the system for twenty (20) years. You will be required to enter into the PPA as part of your purchase of the home.

You should carefully review and fully understand the terms of the solar program offered. The California Department of Real Estate has not approved or reviewed documents related to the system or the solar program offered. You are advised to thoroughly review all documents and investigate all possible outcomes of any solar program offered, prior to signing a purchase agreement. You may want to seek independent legal counsel to assist with your review and investigation. Examples of some key solar program terms that you should know and understand are: (1) if there are any up-front and recurring system costs; (2) if you have system maintenance responsibilities; (3) if there is a warranty and what it covers; (4) if there are requirements and impacts of re-selling your home with the system; (5) who is responsible for removing the system for roof repairs and (if applicable) at the end of your Solar PPA; and (6) if you don't own the system, can you later purchase the system and at what cost? Additional information about solar energy systems for new homes is on the website of the California Energy Commission and Public Utilities Commission, at [HTTP://WWW.gosolarcalifornia.ca.gov/](http://www.gosolarcalifornia.ca.gov/).

The Subdivider advises that each purchaser and the Association will receive a special title endorsement insuring him/her against future mechanics liens which may be incurred in the construction of units in the additional phases of this one lot subdivision. The title endorsement provides for the total liability of the title company is limited to the face amount of the policy only. The insurance will contain the following endorsement:

"The Company hereby insures the insured against loss or damage which the insured shall sustain by reason of:

any statutory lien for labor or materials attaching to the Land, arising out of any work of improvement under construction or completed at the date of policy as to the condominium building in which the insured's separate unit is located,

and/or by reason of any statutory lien for labor or materials attaching to the Land arising out of work of improvement within Lot 1 of Tract 8428 whether such improvements have been completed, are under constructions or are to be constructed after the Policy Date.

Excluded from coverage hereunder are any liens arising from:

- a. any work of improvement to which the insured has consented, and
- b. any work of improvement to which the insured is deemed to have consented pursuant to Section 4615 of the Civil Code."

Should the owner or a unit in this subdivision sell his/her unit to another purchaser prior to the completion of the final phase(s) on Lot 1, he/she should inform the new purchaser that a special mechanics lien endorsement should be obtained from their title insurance company.

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 Declaration of Covenants, Conditions and Restrictions (the "**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 addition ("**Supplemental Declarations**") which will be recorded against portions of the subdivision which may set forth additional restrictions and easements covering the areas covered by the Supplemental Declaration(s) (the CC&Rs, Bylaws, Articles, Supplemental 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.

Classes of Voting Membership: Section 4.4.3 of the Declaration identifies the classes of voting membership. The Subdivider has a Class B Board Appointment Right in addition to its Class B membership. Under the terms of the Declaration, a Class B membership and Class B Appointment Right are established to give Subdivider control over the Association for an extended period of time to allow the Subdivider to develop the Community. You are advised to review the Declaration carefully regarding voting rights for the Association.

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. HOWEVER, IN NO EVENT SHALL THE MEETING BE HELD LATER THAN SIX MONTHS AFTER THE CLOSING OF THE SALE OF THE FIRST SUBDIVISION INTEREST. (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 SECTION 5500 ET. SEQ. OF THE CIVIL CODE.

Declaration: This subdivision will be subject to the Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for SoHay recorded August 21, 2019 as Instrument No. 2019162341, the First Amendment to Declaration recorded October 29, 2019 as Instrument No. 2019220612, and the Supplemental Declaration of Covenants, Conditions and Restrictions and Notice of Addition of Territory for SoHay (Front – Phase 3) recorded February 28, 2020, as Instrument No. 2020048657 in the Official Records of Alameda County, which include among provisions, the following:

Article 2

Section 2.14.9 Clipper Card. The City's Conditions of Approval for the Community require that the Association provide a \$400 Clipper Card annually to each Condominium unless the household declines the benefit in writing. Accordingly, Section 2.14.9 of the Declaration provides as follows: "In accordance with the Conditions of Approval, the Association shall provide a \$400 Clipper Card annually to each Condominium unless the household declines the benefit in writing. The cost of Clipper Cards shall be a Common Expense of the Association." A portion of the Assessments you pay to the Association (\$33.00/unit/month) will cover the Association's expenses in connection with its purchase of Clipper Cards for the Community. You will not be entitled to any reduction in your obligation to pay Assessments to the Association if you decline the Clipper Card.

Article 3

Section 3.8 Public Park, Section 3.16 Mining Disclosure, Section 3.17 Alameda County Flood Control Channel, Section 3.18 Soil, Section 3.21 Environmental Conditions and Remediation, Section 3.24 Mixed Use Parcel and Cost-Sharing Agreement

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

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

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 BUSINESS AND PROFESSIONS CODE AND SECTION 4800 OF THE CIVIL CODE).

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

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

MAINTENANCE AND OPERATIONAL EXPENSES

PURCHASERS ARE ADVISED TO PAY CLOSE ATTENTION TO THE INFORMATION SET FORTH IN THIS PORTION OF THE PUBLIC REPORT. YOU WILL BE RESPONSIBLE FOR THE "GENERAL COMPONENT" OF ASSESSMENTS LEVIED BY THE ASSOCIATION AND AN ASSESSMENT LEVIED UNDER A "COST CENTER" BUDGET FOR THE MAINTENANCE OF COMMON AREA AMENITIES/COMPONENTS ATTRIBUTABLE TO THE BUILDING IN WHICH YOU ARE PURCHASING.

Association to Levy Assessments: The Association has the right to levy assessments against you for maintenance of the Association Property, amenities and facilities, and other purposes. Your control of operations and expenses is limited to the right of your elected representatives to vote on certain provisions at Association meetings.

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 these phases. These budgets were reviewed by the Department of Real Estate in July 2019. Prior to the close of escrow for the sale of your unit, the subdivider will provide you with a copy of the Best Case and Worst Case Budget including a copy of the association's operating budget for the current fiscal year, if applicable.

Phase 1 Budget: The budget for Phase 1 of the Community is an interim, stand-alone budget. The monthly assessments against each condominium in Phase 1 of the Community will be \$361.00, of which the monthly contribution towards long-term reserves which are not to be used to pay for current management, maintenance and operating expenses will be \$34.00.

IF THE PHASE 1 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 AGREEMENT TO PURCHASE.

Range of Assessment Budgets: Upon the first close of escrow for the sale of a condominium in Phase 2 of the Community, all condominiums will be subject to a Range of Assessment budget. The Subdivider has submitted budgets for the management, maintenance and operation of the Association's obligations and for long-term reserves when the Community is substantially completed (built-out budget) and interim budgets applicable to these phases. These budgets were reviewed by the Department of Real Estate in July 2019. Unless terminated earlier by Subdivider in a manner consistent with applicable law, and to the extent required, with the Department of Real Estate's approval, the "Range of Assessments" procedure shall be effective without the approval of the members of the Association during the period condominiums in overall Phase 2 and beyond are annexed into the Community.

Due to uncertainty in the sequence in which the phases will have escrow closings in the Community, it is difficult to predict at this time the amount of the Annual Assessment which will be assessed against each condominium in the Community. As the Community is developed and additional phases become subject to the levy of assessments, the amount of the Annual Assessments in existing phases may increase or decrease depending upon, among other things, the number of condominiums being annexed in such phase and whether any additional Association Property is also annexed as part of a phase. Under the proposed interim budgets on file with the Department of Real Estate, all condominiums will be subject to a "Range of Assessment" budget for the general component of Annual Assessments. The range of assessments commencing with overall Phase 2 of the Community and then continuing during the estimated development period will be between \$182.00 and \$241.00. Of these amounts, the contributions toward long-term reserves which are not to be used to pay for current management, maintenance and operating expenses will be between \$28.00 and \$41.00.

Under the built-out budget, the monthly assessment for the general component of Annual Assessments against each condominium will be \$222.00, of which the contributions toward long-term reserves which are not to be used to pay for current management, maintenance and operating expenses will be \$41.00.

According to the Subdivider, assessments under the interim budget should be sufficient for management, maintenance and operation of the Association's obligations until the Subdivision is substantially completed at which time it may be anticipated that assessments will be adjusted. Prior to the close of escrow for the sale of your lot, the Subdivider will provide you with a copy of the budget for your phase, reflecting the amount of the initial assessment you will actually pay to the Association.

IF THE BUDGET FURNISHED TO YOU BY THE SUBDIVIDER SHOWS A MONTHLY ASSESSMENT FIGURE WHICH IS OUTSIDE OF THE RANGE OF ASSESSMENTS REFLECTED IN THIS PUBLIC REPORT, YOU SHOULD CONTACT THE DEPARTMENT OF REAL ESTATE BEFORE ENTERING INTO A CONTRACT TO PURCHASE.

Cost Center (Designated Service Area) Budgets: In addition to the general component of Annual Assessments described above, each Condominium in the Community will also be subject to a "**Cost Center Assessment**" for the Building Designated Service Area to which the Condominium belongs. Each Condominium is designated as part of a Building Designated Service Area for the building type of the Condominium Building that contains the Condominium Unit. The expense components of the Building Designated Service Areas include condominium building insurance, roof maintenance and repair, gutter/downspout maintenance and repair, condominium building exterior paint and repair, deck waterproofing and repair, and deck railing painting and repair.

The Building Designated Services Areas for the Community include: (a) Prime DSA, (b) Line DSA, and (c) Front DSA. The Condominiums in this Phase are part of the "Prime DSA."

Cost Center Variable Assessments: Because the square footage of condominiums within the Community vary enough in size, the Department of Real Estate requires the Association to charge different assessment amounts ("Variable Assessments") dependent upon the approximate square footage of the condominiums. Accordingly, the proposed budgets for each Building Designated Service Area consist of a base component to be assessed equally against the Owners and their Condominiums based on the number of Condominiums owned by each Owner within such Building Designated Service Area, and a variable component for certain items that will be assessed at variable levels in rough proportion to the estimated base interior square footage of each Condominium Unit plan type. The "Variable Components of Designated Service Area Expenses" include insurance, paint reserves and roof reserves on the Condominium Buildings in each Building Designated Service Area.

Under the built-out Cost Center Budget for Front DSA, the prorated monthly assessment against each condominium unit ranges from \$101.60 for the smallest condominium plan type to \$153.46 for the largest condominium plan type. The Association may or may not elect to use this budget when additional phases are annexed. Under the Cost Center Budget for this phase, the prorated monthly assessment per interest ranges from \$101.45 for the smallest condominium plan type to \$153.32 for the largest condominium plan type. 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 \$70.00 and \$70.00, respectively.

According to the Subdivider, assessments under the Cost Center Budget should be sufficient for management, maintenance and operation of the Association's obligations until the Subdivision is substantially completed at which time it may be anticipated that assessments will be adjusted. Prior to the close of escrow for the sale of your

Condominium, the Subdivider will provide you with a copy of the budget for your phase, reflecting the amount of the initial assessment you will actually pay to the Association.

IF THE COST CENTER 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 AGREEMENT TO PURCHASE.

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 UNITS 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 (BUSINESS AND PROFESSIONS CODE SECTION 11018.6).

In addition to other documentation provided to each prospective Buyer, a copy of the current financial information, and related statements, to the extent available, as specified by Section (b) of Civil Code Section 5300 must be made available for examination by a prospective Buyer before the execution of an offer to purchase a Lot. A copy of this financial information must also be given to each Buyer as soon as practicable before close of escrow. YOU SHOULD PAY SPECIAL ATTENTION TO THIS FINANCIAL INFORMATION, AS IT PERTAINS TO CURRENT AND POSSIBLE FUTURE FINANCIAL OBLIGATIONS AFFECTING ALL HOMEOWNERS WITHIN THE ASSOCIATION. If you do not understand the contents of these financial documents, you may wish to consult with your own professional advisors. Should the amounts collected by the Association prove insufficient to properly maintain, operate, repair or replace the common facilities, the Association may increase Annual 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.

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 Declaration or Bylaws. In considering the advisability of a decrease (or a smaller than anticipated increase) in assessments, care should be taken not to eliminate amounts attributable to reserves for replacement or major maintenance.

Commencement of Assessments: Annual Assessments for the Association will commence on all units in this phase on the first day of the first calendar month following the conveyance of the first subdivision unit in the phase. The Subdivider must pay assessments to the Association for all unsold units (Regulations 2792.9 and 2792.16).

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

Subdivider's Assessment Security: The Subdivider has posted a bond in escrow 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.

The Declaration provides that the Subdivider or other owner of a Subdivision interest will be allowed to defer from payment, that portion of any assessments 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 the allowance are specifically set forth in the Declaration (Regulation 2792.16c).

Subsidy: According to the Association's budget, Annual Assessments levied to defray the Association's Common Expenses in the initial phases of the Community will be greater than Annual Assessments levied after later phases are added to the Community. As such, the Subdivider and the Association have entered or will enter into a Subsidy Agreement ("**Subsidy Agreement**") for the Subdivider to temporarily subsidize a portion of the Annual Assessments of the Association until enough condominiums become subject to assessment to alleviate the burden upon the owners of condominiums in the initial phases of the Community. A copy of the Subsidy Agreement is available from the Subdivider. The amount of the monthly subsidy (the "**Subsidy**") during the term of the Subsidy Agreement shall be equal to the difference between: (i) the monthly installment of the Annual Assessments listed in the budget for the phase, plus any increases or less any decreases in the monthly installment of the

Annual Assessments established by the Association's Board of Directors, and (ii) Two Hundred Forty-One Dollars (\$241.00). The current monthly installment for Budget Phase 1 is Three Hundred Sixty-One and 00/100 Dollars (\$361.00), which means the initial amount of the Subsidy for Budget Phase 1 will be equal to One Hundred and Twenty Dollars (\$120.00) per Condominium per month. The Budget for the Association is a Range of Assessment Budget, so the exact amount of the Subsidy for each Phase is uncertain as the order of closing of the Phases will affect the amount of the monthly installment of the Annual Assessments due to the Association, which will in turn affect the amount of the Subsidy that is required in order to bring the amount to be paid by an Owner down to the Annual Assessments established by the Association's Board of Directors, and (ii) Two Hundred Forty-One Dollars (\$241.00) a month. The term of the Subsidy Agreement shall commence on the first day of the first calendar month following the first close of escrow for the sale of a unit in Phase 1 of the Community, unless cancelled prior to the first close of escrow for the sale of a unit in Phase 1 of the Community pursuant to the terms of the Subsidy Agreement. The Subsidy Agreement shall continue until termination of the Subsidy Agreement, which shall expire upon the earlier of: (a) the date which is one (1) year after the date of the first close of escrow for the sale of a unit in Phase 1 of the Community, or (b) the date on which the monthly installment of the Common Assessments for the Association reduce to an amount lower than the Annual Assessments established by the Association's Board of Directors, and (ii) Two Hundred Forty-One Dollars (\$241.00), unless extended pursuant to the terms of the Subsidy Agreement. The Subdivider will be required to pay the dollar amount to the Association that is necessary to bring the monthly installment of the general component of Annual Assessments to be paid by a Purchaser down to the Annual Assessments established by the Association's Board of Directors, and (ii) Two Hundred Forty-One Dollars (\$241.00) a month for the length of the Term. This Agreement shall not be deemed to obligate the Subdivider to pay a subsidy toward any Designated Service Area component of Annual Assessments levied against Condominiums in the Community.

Subdivider's Subsidy Security: The Subdivider has posted a bond in escrow as partial security for the obligation to pay the subsidy. 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 the subsidy 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

North: So. Hayward Form Based Code (S-T5-2) District & Neighborhood Commercial
East: So. Hayward Form Based Code (S-T4) and S-T5
South: So. Hayward Form Based Code (S-4) District, golf course and Planned Development
(S-T4), golf course and Planned Development
West: Railroad Right of Way; Industrial District & BART (Bay Area Transit)

Commercial/Industrial Zoning Disclosure: The Community is located within one (1) mile of a property that is zoned by the City to allow commercial or industrial use. California Code of Civil Procedure Section 731a provides that, except in an action to abate a public nuisance brought in the name of the people of the State of California, no Person shall be enjoined or restrained by the injunctive process from the reasonable and necessary operation in any industrial or commercial zone or airport of any use expressly permitted therein, nor shall such use be deemed a nuisance without evidence of the employment of unnecessary and injurious methods of operation, provided any city, city and county, or county shall have established zones or districts under authority of law wherein certain manufacturing or commercial or airport uses are expressly permitted.

Uses: The Subdivider advises as follows regarding significant uses of property surrounding the subdivision:

- North of the SoHay Community is Valle Vista Avenue, Retail/Commercial and Residential/Apartments.
- To the South is Industrial Parkway, Golf Course, Retail/Commercial and Residential/Apartments.
- To the East is Mission Boulevard, Residential, and the former La Vista Quarry.
- To the Northwest are Bay Area Rapid Transit (BART) Tracks & the South Hayward Bart Station, Residential/Apartments and Retail Commercial.
- A public park is planned to be constructed immediately adjacent to the SoHay Community on Parcels J and L of Tract No. 8428 which will be publicly owned and maintained. In addition, pedestrian and bicycle pathways and trails are located throughout the SoHay. The trails will be located on Association Property and will be subject to easements to provide for public use.

The SoHay community is within one mile of a property that is zoned by the City to allow for commercial or industrial use.

High Pressured Gas Line: An approximately 8 inch thick pressured gas line is located in Industrial Parkway, approximately 37.2 feet from the Community. The gas line is owned and operated by PG&E.

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

- Cemetery and high school to the north
- Highway 880 to the west
- Highway 92 to the north
- Alameda Flood Control Channel lies adjacent to the north easterly boundary of Phase 4 of "The Front"
- Union Pacific Railroad tracks lie to the south and southwest of the SoHay project.
- Asbestos was found at PA2-4 in buildings have been since been removed, contaminated soils at PA3 stockpile have been off - hauled. The Subdivider advises that this phase is NOT located in an area of concern. The only area of concern involves the "former railroad stockpile" in Tract 8428 (SoHay - Front). The City of Hayward Hazardous Material Department has issued the conditional approvals/clearances for the Phase 3 building. Burlington Northern, Santa Fe Railroad and Union Pacific railroad tracks lie to the south and east of this subdivision.
- The subdivider has advised that all or portions of the subdivision subject to this Public Report are located within a Special Flood Hazard Area as designated by the Federal Emergency Management Agency. Subdivider has obtained a Letter of Map Revision ("LOMR") from FEMA removing all remaining portions of Building 2 of Tract 8428 from the Special Flood Hazard Area. Subdivider makes no representations, guarantees or warranties on whether FEMA will issue a LOMR for the balance of the Community or the timing thereof. Additionally, the subdivider has advised that prospective purchasers within this Area will be provided a separate disclosure required under Government Code Section 8589.3.
- The subdivider has advised that all or portions of the subdivision subject to this Public Report are located within a Seismic Hazard Zone. 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 Right to Farm: This property is located within one mile of a farm or ranch land designated on the current county-level GIS "Important Farmland Map," issued by the California Department of Conservation, Division of Land Resource Protection. Accordingly, the property may be subject to inconveniences or discomforts resulting

from agricultural operations that are a normal and necessary aspect of living in a community with a strong rural character and a healthy agricultural sector. Customary agricultural practices in farm operations may include, but are not limited to, noise, odors, dust, light, insects, the operation of pumps and machinery, the storage and disposal of manure, bee pollination, and the ground or aerial application of fertilizers, pesticides, and herbicides. These agricultural practices may occur at any time during the 24-hour day. Individual sensitivities to those practices can vary from person to person. You may wish to consider the impacts of such agricultural practices before you complete your purchase. Please be advised that you may be barred from obtaining legal remedies against agricultural practices conducted in a manner consistent with proper and accepted customs and standards pursuant to Section 3482.5 of the Civil Code or any pertinent local ordinance.

If your condominium unit is located within one or more Statutory Natural Hazard Areas, your ability to further develop the real property, to obtain insurance, or to receive assistance after a disaster may be affected. You should therefore contact your lender and insurance carrier for more information regarding types of insurance and costs to cover your property. Additionally, since purchasers are not required to receive a separate disclosure for property owned by the Association, you should also contact the Association regarding any assessment increases due to additional insurance costs associated with the Statutory Natural Hazard Areas which may affect the Association maintained areas, if any.

If any disclosure, or any material amendment to any disclosure, required pursuant to Civil Code 1103 et seq 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 PURCHASE AGREEMENT/CONTRACT.

High Pressured Gas Line: An approximately 8 inch thick pressured gas line is located in Industrial Parkway, approximately 37.2 feet from the Community. The gas line is owned and operated by PG&E.

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 unit 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 fact that the land lies within the boundaries of the Downtown Hayward Redevelopment Project Area, as disclosed by the document recorded January 14, 2008, as Instrument No. 2008-9311, Official Records (affects Parcel 5 of the preliminary title report).
- The terms and provisions contained in the document entitled Memorandum of Option and Development Agreement, executed by and between SoHay – Hayward, L.P., a Delaware limited partnership and William Lyon Homes, Inc., a California corporation, recorded August 3, 2018, as Instrument No. 2018152494, Official Records.
- The terms and provisions contained in the document entitled Construction License and Indemnity Agreement, executed by and between SoHay – Hayward, L.P., a Delaware limited partnership and William Lyon Homes, Inc., a California corporation, recorded August 3, 2018, as Instrument No. 2018152495, Official Records.
- The terms and provisions contained in the document entitled Memorandum of Agreement, executed by and between SoHay – Hayward, L.P., a Delaware limited partnership and Alameda County Flood Control and Water Conservation District, recorded August 3, 2018, as Instrument No. 2018152496, Official Records.
- Inclusionary Housing Agreement recorded December 12, 2018, as Instrument No. 2018235670, Official Records.
- Stormwater Treatment Measures and Hydromodification Management Controls Maintenance agreement executed by and between the City of Hayward and William Lyon Homes recorded April 24, 2019, as Instrument No. 2019074401, Official Records.

Easements: Easements for Public Use areas designated as WLE (Water Line Easement), SSE (Sanitary Sewer Easement), EVA (Emergency Vehicle Access Easement), easements with the right of ingress and egress for access purpose upon and over any strip of land designated as trail easement and other purposes are shown on the title report and Map of Tract 8428 recorded December 12, 2018 in Book 359 of Maps, at Pages 1 through 11, inclusive, Official Records of the Alameda County Recorder and the Condominium Plan recorded February 28, 2020, as Instrument No. 2020048655, in the Official Records of the Alameda County Recorder. Adjustments to the original subdivision map(s) and amendments to the original condominium plan may also be recorded. You may ask the Subdivider about such changes. If you purchase a unit subject to said adjustment/amendment, this information will be included in your title policy.

It is currently planned that there will be an easement agreement entitled “**Grant of Easements and Cost-Sharing Agreement (Parcels B and C of Tract 8428)**” between the Subdivider and SoHay Apartments, LLC (“Apartment Owner”) which will grant the Apartment Owner and its employees, agents contractors, subcontractors,

licensees, tenants, guests, and invitees, nonexclusive easements appurtenant over and across the Private Streets (on Parcels B and C of Tract 8428 ("Streets") for vehicular and pedestrian surface access, ingress and egress to and from the Mixed-Use Parcel, and for vehicular parking ("Access Easements") .

The Mixed-Use Parcel is located on Parcel A of Tract 8428 which map was recorded December 12, 2018, in Book 359 of Maps, at Pages 1 through 11, inclusive, Official Records of Alameda County, California. The Mixed-Use Parcel is planned to be developed as a multi-family apartment and commercial project. The Mixed-Use Parcel is separate and independent from the Community. The Mixed-Use Parcel will not be annexed to the Declaration or subject to the jurisdiction of the Association.

The Grant of Easements and Cost-Sharing Agreement (Parcels B and C of Tract 8428) (i) will provide for the operation and maintenance of the Streets for the benefit of the Developments, (ii) the allocation of expenses incurred in the operation and maintenance of the Streets, and (iii) the establishment and granting of nonexclusive easements over the Streets for access, ingress and egress, and vehicular parking by the Mixed-Use Permittees.

The Community is subject to an easement agreement and grant of easement recorded September 4, 2019 as Instrument No. 2019173956 ("**Solar Easement Agreement**") between Subdivider and Solar Company which grants nonexclusive easements to Solar Company for access over the Community and each Condominium Building roof for the installation, maintenance, repair, removal, reinstallation and replacement, and interconnection of Solar Systems by Solar Company. The Solar Easement Agreement may grant Solar Company a nonexclusive easement on, over, under, through and across the Community for purposes of taking any action for the purposes of eliminating shading to the Solar Systems, including, without limitation, the trimming of trees, vines, ivy or other vegetation. The obligations of the Solar Easement Agreement, if applicable, will be transferred to the Association as set forth in the Solar Easement Agreement. A Declaration of Annexation to Easement Agreement and Grant of Easements for Solar Energy Systems for SoHay (Front – Phase 3) was recorded September 4, 2019, as Instrument No. 2019173956, and Declaration of Annexation (Front – Phase 3) recorded February 28, 2020, as Instrument No. 2020048656, Official Records.

Buyer should review a copy of the Solar Easement Agreement available from Subdivider for additional information.

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 November 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.

The total property tax rate for the subdivision is 1.2360% for tax year 2019/2020.

For the purchaser of a 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, county service areas (CSAs) and special assessment districts and is subject to any taxes, assessments and obligations thereof under the 2019/2020 County Taxes:

- Hayward Area Recreation and Park District Lighting and Landscape - \$28.54/yr/parcel;
- East Bay Regional Park District – Lighting and Landscape East Bay Trails –\$5.44/yr/parcel;
- Hayward Unified School District Maintenance Assessment District - \$28.00/yr/single family equivalent Benefit Unit (EBU);
- City of Hayward Landscaping and Lighting Assessment District No. 96-1, Zone 18-A – ranging between \$372.24 and \$391.84/yr/single family equivalent unit (SFE);
- County Service Area Vector Control 1984-1 \$5.92/yr/parcel;
- County Service Area Vector Control B - \$5.08/yr/single family dwelling;
- County Service Area EM 1983-1 (Paramedic) - \$34.02/yr/parcel;
- Mosquito Abatement District Special Tax - \$1.74/parcel/yr and \$2.50/yr/parcel for Mosquito Abatement Fees 1 and 2;
- County of Alameda, Flood Control and Water Conservation District (Zone 3A)– \$26.60/yr;
- City of Hayward Urban Runoff – to help reduce stormwater pollution – \$28.56/yr;
- Alameda-Contra Costa County Transit District - Measure VV Tax (Measure C1) –\$96.00/yr for 20 years beginning 7/2/2019;
- Hayward Unified School District, Measure A – \$88.00/yr/parcel;
- San Francisco Bay Restoration Authority – \$12.00/yr; a parcel tax that will expire June 2037;
- Alameda County Waste Management - \$6.64 per unit with a maximum allowable rate of \$9.55/unit/yr and will expire 6/30/2024;

The Subdivider must provide purchasers with a disclosure entitled "Notice of Special Tax" prior to a purchaser entering into a contract to purchase. This Notice contains important information about district functions, purchaser's obligations, right of the district, and information on how to contact the district for additional materials. Purchasers should thoroughly understand the information contained in the Notice prior to entering into a contract to purchase. This special tax appears on the yearly property tax bill, and is in addition to the tax rate affecting the property described above in the section entitled "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.

SPECIAL OR UNUSUAL FINANCING ARRANGMENTS: Approximately twenty-eight (28) Condominiums ("**Affordable Units**") within the Community will be sold to moderate income households at "affordable purchase prices," as further described in that certain Inclusionary Housing Agreement, recorded on December 12, 2018, as Instrument No. 2018235670, of Official Records (as may be amended, the "**Inclusionary Housing Agreement**"). Pursuant to the Inclusionary Housing Agreement, a "Resale Restriction Agreement and Option to Purchase" (the "**Resale Restriction**") will be recorded against each Affordable Unit. Owners of Affordable Units are required to comply with all applicable restrictions imposed against such Units pursuant to the Inclusionary Housing Agreement.

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

PURCHASE MONEY HANDLING

The Subdivider must impound all funds (purchase money) received from you in an escrow depository until legal title is delivered to you. [Refer to Business and Professions Code Sections 11013, 11013.1, and 11013.4(a).]

If the escrow has not closed on your unit within twelve (12) months of the date of subdivider's acceptance of your purchase agreement you may request the return of your purchase money deposit.

EXTENTION FEE: THE PURCHASE AGREEMENT INTENDED FOR USE BY THE SUBDIVIDER INCLUDES A PROVISION IN SECTION 3.2.4 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 AN EXTENSION FEE EQUAL TO 1% OF THE TOTAL PURCHASE PRICE.

NOTE: Section 2995 of the 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 UNITS IN THIS SUBDIVISION.

SOILS AND GEOLOGIC CONDITIONS

Some units have or will have fill in excess of two feet. Information concerning filled ground, soil conditions and geologic conditions is available at the City of Hayward Public Works - Engineering & Transportation, 777 B Street, 2nd Floor, Hayward, CA 94541.

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 Hayward Public Works – Engineering & Transportation

Sewage Disposal: Hayward Water Company

Gas and Electricity: PG&E (800) 743-5000

Telephone: AT&T (800) 310-2355

Fire Protection: Hayward Fire Department will service this subdivision from their Station #3 located at 31982 Medinah Street, Hayward which is located approximately 1.7 miles from this subdivision.

Private Street Maintenance Agreement: It is currently planned that there will be private streets in the Community which will eventually be owned and maintained by the Association. Portions of the Community will take access through the privates (each, a "Private Street", and collectively, the "Private Streets") shown as:

Parcels A, B, E, F, G, H, L, M and N of Tract 8447, as shown on the Subdivision Map, recorded on December 21, 2018, in Book 359, at Pages 51 to 60, inclusive, of Maps, in the Office of the Alameda County Recorder;

Parcels B, C, D and E of Tract 8428, as shown on the Subdivision Map, recorded on December 12, 2018, in Book 359, at Pages 1 to 11, inclusive, of Maps, in the Office of the Alameda County Recorder;

Parcels A, B, C and D of Tract 8444, as shown on the Subdivision Map, recorded on December 17, 2018, in Book 359, at Pages 14 to 19, inclusive, of Maps, in the Office of the Alameda County Recorder;

Parcels A and C of Tract 8446, as shown on the Subdivision Map, recorded on April 12, 2019, in Book 359, at Pages 77 to 80, inclusive, of Maps, in the Office of the Alameda County Recorder; and

Parcels A and C of Tract 8445, as shown on the Subdivision Map, recorded on April 12, 2019, in Book 359, at Pages 81 to 86, inclusive, of Maps, in the Office of the Alameda County Recorder.

SoHay-Hayward, L.P., a Delaware limited partnership ("SoHay-Hayward") and/or Subdivider are the current owners of the Private Streets. As to any Private Streets currently owned by SoHay-Hayward, it is presently planned that SoHay-Hayward will convey the Private Streets to Subdivider and Subdivider will convey in fee the Private Streets to the Association as part of the development of the Community in accordance with the Subdivider's development and annexation plan.

Under the current plan of annexation for the Community, Condominiums in the Community will close escrow before the conveyance of the Private Streets described herein to the Association. Accordingly, Subdivider, Association and SoHay-Hayward will enter into an agreement entitled "SoHay Private Street Maintenance Agreement." This Agreement: (1) will provide for interim access easements over the Private Streets for the Condominiums in early phases of the Community; (2) will evidence the Subdivider's agreement to maintain the Private Streets before fee conveyance to the Association; (3) will evidence the Subdivider's agreement to convey the Private Streets in fee to the Association in accordance with the development and phasing plan for the Community; (4) will establish the conditions for exercise of the Association's right to perform certain remedial maintenance for the Private Streets while subject to the Access Easements (defined in the Agreement); and (5) will evidence the Subdivider's agreement to contribute accrued reserves for the Private Streets when they are conveyed to the Association in certain circumstances described in the Agreement. A Private Access Easement Deed was recorded November 20, 2019, as Instrument No. 2019204345, Official Records of Alameda County, affecting this Tract (and other parcels of Tracts 8428, 8444, 8445, 8446, and 8447).

Schools: This project lies within the Hayward Unified School District. The District advises that this subdivision is located within the following school zones:

- Treeview Elementary School: 30565 Treeview Street, Hayward, CA 94544, (510) 723-3930
- Cesar E. Chavez Middle School: 27845 Whitman Street, Hayward, CA 94544, (510) 723-3110
- Tennyson High School, 27035 Whitman Street, Hayward, CA 94544, (510) 723-3190

"Other factors beyond proximity may influence actual enrollment; please let your occupants know that Hayward Unified School District's Enrollment Center is located at 248323 Soto Road in Hayward."

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 Boulevard
Sacramento, CA 95815
(916) 576-3374