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Debtors and Debtors-in-Possession

8
9 UNITED STATES BANKRUPTCY COURT
10 NORTHERN DISTRICT OF CALIFORNIA – SAN FRANCISCO DIVISION
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13 IN RE:

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15 LUIS A. SEGURA AND YOLANDA
SEGURA,
16 Debtors and Debtors-in-Possession.
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Case No. **15-31330-DM**

Chapter 11

**DEBTORS-IN-POSSESSION'S
MOTION FOR ORDER
AUTHORIZING SALE OF REAL
PROPERTY LOCATED AT 1969 SAN
JOSE AVENUE, SAN FRANCISCO,
CA 94112 FREE AND CLEAR OF
LIENS AND APPROVING
OVERBIDDING PROCEDURES**

**MEMORANDUM OF POINTS AND
AUTHORITIES; DECLARATIONS OF
LUIS A. SEGURA AND DEVI STRASS
IN SUPPORT THEREOF *filed*
*concurrently herewith***

[11 U.S.C. § 363(b), 11 U.S.C. §363(f)]
Lienholders: Deutsche Bank National Trust
Company, Silvia Hurtado, Carlos
Sumpalaj, and Floridalma Bac

Hearing on Motion

Date: [To Be Determined]
Courtroom: 17
United States Bankruptcy Court
450 Golden Gate Ave., 16th Floor
San Francisco, CA 94102

1 **MOTION FOR ORDER AUTHORIZING SALE OF REAL PROPERTY**

2 Luis A. Segura and Yolanda Segura, the Debtors and Debtors in Possession of the
3 bankruptcy estate in the above-captioned case (the “DIPs”) hereby move for authority
4 pursuant to 11 U.S.C. Section 363(b)(1) to sell all of the estate’s rights, title, and interest in
5 real property located in the City of San Francisco, California, and commonly described as
6 1969 San Jose Avenue, San Francisco, CA 94112 (APN 3212-041), and with the legal
7 description as further described below (the “Property”) for the purchase price of
8 \$760,000.00 (the “Purchase Price”), to Christopher Walti and Jamie Patton (the
9 “Purchasers”), or to a qualified over-bidder. The Purchase Price represents the fair market
10 value of the Property as determined through the marketing of the Property for sale by real
11 estate broker Devi Strass since May 2016. The DIPs further request that the interest in the
12 Property be sold free and clear of all liens, claims and encumbrances pursuant to 11 U.S.C.
13 Section 363(f). The Purchase Price will be paid by the Purchasers to the DIPs in one lump
14 sum payment at closing.

15 This Motion is based upon 11 U.S.C. Sections 363(b), 363(f), and 363(m), Rules
16 2002 and 6004 of the Federal Rules of Bankruptcy Procedure, and Bankruptcy Local Rule
17 6004-1. This Motion is also based upon the Notice of Motion, the following Memorandum
18 of Points and Authorities, the Declarations of Luis A. Segura and Devi Strass, and such
19 oral and documentary evidence that may be presented at or prior to the hearing on the
20 Motion. The sale of the Property is in the best interests of the estate and the Purchase
21 Price of the Property is fair and reasonable.

22
23 DATED: October 12, 2016

Respectfully Submitted,
JAURIGUE LAW GROUP

24
25 **By: /s/ Nam H. Le**
26 Nam H. Le
27 Attorneys for Debtors and Debtors in
28 Possession

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I.**

3 **FACTUAL BACKGROUND**

4 **A. The Debtors-in-Possession’s Chapter 11 Case**

5 Luis A. Segura and Yolanda Segura (the “DIPs”) filed a chapter 11 bankruptcy case
6 on October 28, 2015. The DIPs continue to administer their bankruptcy estate as Debtors-
7 in-Possession. Declaration of Luis A. Segura ¶ 1 (hereinafter referred to as the “Segura
8 Decl.”).

9 **B. The Property**

10 Debtors-in-Possession Luis A. Segura and Yolanda Segura are the titleholders of
11 record of the real property located at 1969 San Jose Avenue, San Francisco, CA 94112 (the
12 “Property”), and legally described as:

13 ALL THAT PARCEL OF LAND IN THE CITY OF SAN FRANCISCO COUNTY,
14 STATE OF CALIFORNIA, AS MORE FULLY DESCRIBED IN DEED BOOK 2003, PAGE
15 H405510, ID# 32-12-41, BEING KNOWN AND DESIGNATED AS:

16 BEGINNING AT A POINT ON THE SOUTHEASTERLY BLINE OF SAN JOSE
17 AVENUE, DISTANT THEREON 55.01 FEET SOUTHWESTERLY FROM THE
18 SOUTHWESTERLY LINE OF SANTA YNEZ AVENUE, SAID POINT BEING ALSO THE
19 INTERSECTION OF SAID LINE OF SAN JOSE AVENUE AND THE NORTHWESTERLY
20 LINE OF LOT NO. 3 IN BLOCK “P” MISSION TERRACE, ACCORDING TO THE MAP
21 HEREINAFTER REFERRED TO; RUNNING THENCE SOUTHWESTERLY ALONG SAID
22 LINE OF SAN JOSE AVENUE 25 FEET TO THE SOUTHWESTERLY LINE SAID OT NO. 3;
23 THENCE SOUTHEASTERLY 25 FEET TO THE NORHTESTERLY LINE OF SAID LOT NO.
24 3; THENCE AT A RIGHT ANGLE NORTHWESTERLY ALONG SAID LINE OF SAID LOT
25 NO. 3 101.07 FEET TO THE POINT OF THE BEGINNING

26 BYEING PART OF LOT NO. 3 IN BLOCK “P” ACCORIDNG OT MAP ENTITLED
27 “MAP OF MISSION TERRACE” FILED IN THE OFFICE OF THE COUNTY RECORDER OF
28 THE CITY AND COUNTY OF SAN FRANCISCO, STATE MF CALIFORNIA, MARCH 29,
1911 AND RECORDED IN BOOK “A” AND “B” OF MAPS, PAGES 96 AND 97.

LOT 041, BLOCK 3212

Segura Decl. ¶5, Ex. 1.

1 The Property was built in 1919 and is comprised of a single family residence with a
2 combined square footage of 1,433 square feet situated on a 2,522 square foot lot. Segura
3 Decl. ¶ 6.

4 Deutsche Bank National Trust Company as Trustee for Ameriquest Mortgage
5 Securities Inc., Asset-Backed Pass-Through Certificates, Series 2004-R12, serviced by
6 Ocwen Loan Servicing, LLC (“Deutsche Bank”) currently holds a first mortgage deed of
7 trust encumbering the Property. The balance owed on the deed of trust encumbering the
8 Property at the time of filing the petition was approximately \$376,733.13. Proof of Claim
9 No. 14-1. The DIPs are current on their regular mortgage payments to Deutsche Bank.
10 Segura Decl. ¶ 7.

11 Silvia Hurtado, Carlos Sumpalaj, and Floridalma Bac (the “Judgment Creditors”)
12 are secured judgment creditors holding secured claims against the Property in the
13 approximate amounts of \$299,047.25, \$272,598.73, and \$258,615.18, respectively. Proof
14 of Claim Nos. 11-1 to 13-1.

15 Proceeds from the sale of the Property pursuant to this Motion shall be used to
16 satisfy loan broker expenses and commissions, payment of ordinary selling expenses
17 including escrow and transfer fees, payment of any unpaid property taxes, and required
18 withholding of sales taxes to government agencies. The remaining proceeds of the sale
19 shall be used to pay in full the secured claim of Deutsche Bank and to pay a portion of the
20 secured claims of the Judgment Creditors pro-rata. The DIPs further propose to withhold
21 \$30,000 of the proceeds in the DIPs’ counsel’s client trust account for the purposes of past
22 and future costs of administration. Disbursements and payments from the proceeds of the
23 sale of the Property will be subject to Court approval.

24 **C. The Sale of the Property**

25 The DIPs have agreed to sell, and Christopher Walti and Jamie Patton (the
26 “Purchasers”) have agreed to purchase the Property for \$760,000.00 (the “Purchase
27 Price”). Segura Decl. ¶ 10. To maximize the sale value of the Property, the DIPs
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1 employed real estate broker Devi Strass (“Strass”) to market the Property. Segura Decl. ¶
2 9. The Property has been on the open market since May 2016, with the DIPs holding open
3 houses on several occasions. Declaration of Devi Strass (“Strass Decl.”) at ¶ 5. After
4 receiving several offers on the Property, the DIPs received the offer of \$76,000.00 for the
5 Property from the Purchasers, which is the highest current offer on the Property. Segura
6 Decl. ¶ 10; Strass Decl. ¶ 7, 9.

7 The Purchase Price was negotiated at arms-length and in good faith, and the DIPs
8 believe that the price represents a fair market value of the Property. Segura Decl. ¶ 10.
9 The Purchasers have been informed and understand that the sale of the Property is on an
10 “as-is” basis and is subject to overbid and Court approval. Strass Decl. ¶ 8. The complete
11 terms of the sale of the Property are contained in the San Francisco Purchase Agreement.
12 Segura Decl. ¶ 11, Ex. 2; Strass Decl. ¶ 7, Ex. 1.

13 Real estate broker Devi Strass will be paid commissions for the sale of the Property
14 equal to 5% of the Purchase Price (2.5% to the selling agent and 2.5% to the listing agent)
15 pursuant to the terms of her employment by the DIPs. See Docket Nos. 58 and 66.

16 **D. The Overbid Procedures**

17 The DIPs have established the following overbid procedures (the “Overbid
18 Procedures”) regarding the sale of the Property, and hereby give notice to parties in
19 interest regarding the Overbid Procedures, which are as follows:

- 20 1. Minimum Overbids. The Purchase Price is currently \$760,000.00. Any
21 subsequent overbids shall be at least \$5,000.00 over the preceding offer.
- 22 2. Minimum Deposits. The minimum deposit will be five percent (5%) of the
23 Purchase Price, or \$38,000. This deposit shall be made by cashier’s check
24 payable to “Jaurigue Law Group Client Trust Account,” and remitted to Cindy
25 Ho, Jaurigue Law Group, 46 W. Santa Clara Street, San Jose, California, 95113.
26 The deposit must accompany any overbid offer for the Property with evidence of
27 the ability to close the transaction. In the event an approved buyer does not
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1 close the transaction, the deposit will be non-refundable if the overbid is
2 accepted and the sale does not close within twenty-one (21) days of the date on
3 which the Order approving the sale of the Property is entered by the Court.

- 4 3. The proponent of each overbid must submit, not later than twenty-four hours
5 prior to the date and time of the hearing on the sale, a cashier's check for the
6 minimum deposit as calculated above, and evidence of the financial ability to
7 close escrow within twenty-one days of submission of the overbid. This evidence
8 must at a minimum include a demonstration of a firm financing commitment
9 from a recognized lender and/or sufficient, accessible liquid funds.
- 10 4. Any qualified over-bidders will be allowed to overbid at the hearing. Any
11 qualified over-bidders must provide for payment of the entire Purchase Price at
12 the close of escrow.
- 13 5. Qualified over-bidders must offer to purchase the Property on an "as is" basis,
14 and shall require no conditions or contingencies in addition to those terms
15 agreed upon between the DIPs and the Purchasers.
- 16 6. At the conclusion of the hearing on the Motion, the Court shall determine the
17 highest offer for the Property, and the DIPs shall conclude the sale of the
18 Property to the Purchasers, or to a successful over bidder, without returning to
19 this Court for further orders.
- 20 7. The over-bidder's minimum deposit is non-refundable in the event that the
21 Court confirms the sale but the over-bidder fails to timely close the sale. The
22 over-bidder will be bound by the proposed purchase and sale agreement that the
23 DIPs and the Purchasers has entered into, except as to price.
- 24 8. The DIPs propose that the Court shall confirm a backup buyer whereby, in the
25 event that the buyer does not close within twenty-one (21) days after entry of the
26 Order authorizing the sale, the DIPs may sell the Property to the backup buyer
27 for the amount of the backup buyer's last bid. Should a party consent to be a
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1 backup buyer and the original Purchasers or successful over-bidder fail to timely
2 close the sale of the Property, the backup buyer shall be required to timely close
3 the sale of the Property subject to the same terms as the Purchasers or successful
4 over-bidder.

5 9. The DIPs also request that the Court rule that the Purchasers or successful over-
6 bidder be designated a good faith purchaser pursuant to 11 U.S.C. § 363(m)
7 once sale of the Property to such party is confirmed.

8 II.

9 JURISDICTION AND VENUE

10 This Court has jurisdiction over the subject matter of this Motion pursuant to 28
11 U.S.C. §§ 157 and 1334. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408
12 and 1409(a). This is a core proceeding under 28 U.S.C. § 157(b)(2). The statutory
13 predicates for the relief sought in this Motion are sections 105(a) and 363 of the
14 Bankruptcy Code and Bankruptcy rule 6004.

15 III.

16 BASIS FOR RELIEF

17 **A. The Court May Authorize the Sale of Property Outside the Normal Course of** 18 **Business With Overbid Procedures**

19 After notice and hearing, a debtor may sell its assets outside the ordinary course of
20 business. 11 U.S.C. § 363. The bankruptcy court is empowered to determine whether to
21 approve the transaction based on the facts and history of the case. In re Plaza Family
22 Partnership, 95 B.R. 166, 173 (E.D. Cal. 1989). In approving any such transaction, the
23 bankruptcy “court must not only articulate a sufficient business reason for the sale, it must
24 further find that the sale is in the best interest of the estate, i.e. it is fair and reasonable, that
25 it has been given adequate marketing, that it has been negotiated and proposed in good
26 faith, that the purchaser is proceeding in good faith, and that it is an “arms-length”
27 transaction.” In re Wilde Horse Enterprise, Inc., 136 B.R. 830, 841 (C.D. Cal. 1991). The
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1 goal when selling any of the estate's property is to obtain the highest price for the property
2 sold. Id. Furthermore, in connection with the sale of assets outside the normal course of
3 business, bankruptcy courts frequently approve competitive bidding procedures as a means
4 of entrusting that such sale will generate the highest and best returns to the debtors. See In
5 re Crown Corp., 679 F.2d 774, 775-76 (9th Cir. 1982); See also In re Mama's Original
6 Foods, Inc., 234 B.R. 500, 505 (C.D. Cal. 1999); In re Crowthers McCall Pattern, Inc., 114
7 B.R. 877, 878 (S.D. N.Y. 1990).

8 11 U.S.C. § 363(f) provides that a trustee may sell property free and clear of any
9 interest of an entity other than the estate, only if such entity consents or such interest is a
10 lien and the price at which such property is to be sold is greater than the aggregate value of
11 all liens on such property. 11 U.S.C. § 363(f). Deutsche Bank will be paid in full through
12 the sale of the Property. Furthermore, the Judgment Creditors have provided consent to
13 the sale of the Property free and clear of liens, provided that proceeds from the sale be used
14 in partial satisfaction of their secured claims.

15 **B. The Sale is in the Best Interest of the Estate**

16 Under the facts and circumstances of this case, it is clear that a sale of the Property
17 at fair market value is in the best interests of the estate and the creditors.

18 The DIPs have been marketing the Property since May 2016, through licensed
19 realtor Devi Strass. Strass has been employed by the Court as the DIPs' real estate
20 professional since May 3, 2016. See Docket No. 66. The DIPs held several open houses
21 on the Property and entertained several offers prior to accepting the offer from the
22 Purchasers. The parties believe that the Purchase Price represents the Property's fair
23 market value. The DIPs have made efforts to obtain the highest price for the Property, and
24 have conducted adequate marketing of the Property.

25 Selling the Property will generate funds for the bankruptcy estate, which will be
26 used to satisfy secured creditors and fund the DIPs' Chapter 11 Plan of Reorganization.

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1 Therefore, it is in the best interests of the bankruptcy estate and its creditors for this sale to
2 be permitted.

3 The DIPs submit that the bidding procedures summarized above, and the opportunity
4 for competitive bidding embodied therein, are reasonable and calculated to maximize the
5 purchase price of the Property. The DIPs will only consider overbids that are serious and
6 accompanied by cash deposits. For these reasons the Court should approve the bidding
7 procedures proposed herein.

8 **IV.**

9 **CONCLUSION**

10 For the reasons set out herein, DIPs respectfully request that the Court, enter an order:

- 11 1. Authorizing the DIPs to sell the Property to Purchasers for \$760,000.00, or to a
12 qualified over-bidder, who may be the Purchasers, for the amount of the
13 successful overbid, free and clear of all liens, claims, encumbrances, and
14 interests pursuant to 11 U.S.C. § 363(f);
- 15 2. That the Purchasers or successful over-bidder be designated a good faith
16 purchaser pursuant to 11 U.S.C. § 363(m);
- 17 3. Authorizing the DIPs to take all actions necessary to conclude the sale of the
18 Property to the Purchasers, or a successful over bidder, without returning to this
19 Court with further orders;
- 20 4. Authorizing the DIPs to handle the proceeds from the sale of the Property as
21 follows: loan broker expenses and commissions, payment of ordinary selling
22 expenses including escrow and transfer fees, payment of any unpaid property
23 taxes, withholding of any sales taxes pursuant to the terms of the sale.
- 24 5. Authorizing the DIPs to pay the remaining proceeds from the sale to secured
25 creditors Deutsche Bank and Judgment Creditors, and for the DIPs to withhold
26 the amount of \$30,000.00 from the proceeds for costs of administration;

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6. That the Court enter such other and further relief in favor of the DIPs as is appropriate under the circumstances of this case.

Dated: October 12, 2016

/s/ Nam H. Le
Nam H. Le
JAURIGUE LAW GROUP
Attorneys for Luis and Yolanda Segura,
Debtors and Debtors-in-Possession

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7 Attorneys for Luis and Yolanda Segura,
Debtors and Debtors-in-Possession

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9 UNITED STATES BANKRUPTCY COURT
10 NORTHERN DISTRICT OF CALIFORNIA – SAN FRANCISCO DIVISION
11

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13 In re:

14
15 LUIS A. SEGURA AND YOLANDA
SEGURA,
16 Debtors and Debtors-in-Possession.
17

Case No. **15-31330-DM**

Chapter 11

**DECLARATION OF LUIS A. SEGURA
IN SUPPORT OF DEBTORS-IN-
POSSESSION'S MOTION FOR
ORDER AUTHORIZING SALE OF
REAL PROPERTY LOCATED AT
1969 SAN JOSE AVENUE, SAN
FRANCISCO, CA 94112 AND
APPROVING OVERBIDDING
PROCEDURES**

Hearing on Motion

Date: [To Be Determined]

Time: [To Be Determined]

Courtroom: 17

United States Bankruptcy Court
450 Golden Gate Ave., 16th Floor
San Francisco, CA 94102

DECLARATION OF LUIS A. SEGURA

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I, Luis A. Segura, hereby declare:

1. My wife, Yolanda Segura, and I are the Debtors and Debtors-in-Possession (“Debtors”) in this Chapter 11 bankruptcy proceeding pending in the United States Bankruptcy Court for the Northern District of California, Case Number 15-31330-DM.
2. I have personal knowledge of the facts set forth herein. If called upon to testify to the statements in this Declaration, I could and would competently do so under oath.
3. I am a resident of the State of California. I am over 18 years old and am competent to make this Declaration.
4. I make this Declaration in support of our *Motion for Order Authorizing the Sale of Real Property Located at 1969 San Jose Avenue, San Francisco, CA 94112, and Approving Overbid Procedures* (the “Sale Motion”).
5. I, along with my wife, are titleholders of record of the real property located at 1969 San Jose Avenue, San Francisco, CA 94112 (the “Property”). A true and correct copy of the Property’s grant deed is attached hereto as **Exhibit 1**.
6. The Property was built in 1919 and is comprised of a single family residence with an area of 1,433 square feet situated on a 2,522 square foot lot.
7. The Property is encumbered by first mortgage deed of trust held by Deutsche Bank National Trust Company as Trustee for Ameriquest Mortgage Securities Inc., Asset-Backed Pass-Through Certificates, Series 2004-R12, serviced by Ocwen Loan Servicing, LLC (“Deutsche Bank”) encumbering the Property. The balance owed to Deutsche Bank at the time of filing the petition was approximately \$376,733.13. We are current on our regular mortgage payments to Deutsche Bank.
8. My wife and I believe that the sale of the Property is in the best interests of the bankruptcy estate and its creditors. Proceeds from the sale of the Property will satisfy the claim of Deutsche Bank, repay a portion of the claims of secured

1 judgment creditors and would provide funding for a Chapter 11 Plan of
2 Reorganization.

3 9. To maximize the sale value of the Property, as Debtors-in-Possession, my wife and
4 I employed real estate broker Devi Strass to market the Property. After considering
5 marketing the Property for several months, and receiving several offers on the
6 Property, we received an offer of \$760,000.00 (the "Purchase Price") from proposed
7 purchasers Christopher Walti and Jamie Patton (the "Purchasers").

8 10. The Purchase Price was negotiated at arms-length and in good faith, and we believe
9 that it represents a fair market value of the Property. Additionally, the Sale Motion
10 proposes overbid procedures to allow other parties to bid on the Property, thus
11 further ensuring that the estate shall receive the maximum sale value for the
12 Property.

13 11. We have agreed to sell the Property to the Purchaser on an "as-is" basis. The
14 complete terms of the sale of the Property are contained in the San Francisco
15 Purchase Agreement (the "Purchase Agreement"). True and correct copies of the
16 Purchase Agreement are attached hereto as **Exhibit 2**.

17 I declare under penalty of perjury under the laws of the United States of America that the
18 foregoing is true and correct to the best of my knowledge and understanding.

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20 Executed this 12th day of October, 2016 at San Francisco, California.

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Luis A. Segura

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EXHIBIT 1

RECORDING REQUESTED BY
CHICAGO TITLE COMPANY
AND WHEN RECORDED MAIL TO

Luis Segura
1969 San Jose Avenue
San Francisco, Ca. 94112

San Francisco Assessor-Recorder
Nabel S. Teng, Assessor-Recorder
DOC- 2003-H394123-00
Root 1-CHICAGO Title Company
Thursday, MAR 27, 2003 08:00:00
Ttl Pd \$3,852.00 Nbr-0102112238
REEL I353 IMAGE 0391
GKIC/KC/1-2

(2)

ESCROW No. 126873 - MCT - 349
Order No. 126873

SPACE ABOVE THIS LINE FOR RECORDERS USE

APN 3212/4

1969 SAN JOSE AVENUE GRANT DEED

THE UNDERSIGNED GRANTOR(S) DECLARE(S)

DOCUMENTARY TRANSFER TAX IS \$3,842.00

unincorporated area City of San Francisco

computed on the full value of the interest or property conveyed, or is

computed on the full value less the value of liens or encumbrances remaining at time of sale, and

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,
Fernando Punla Briosos, as Trustee of The Fernando Punla Briosos Revocable Inter Vivos
Trust Under Agreement Dated December 23, 1998 and Steven Harold Christensen, as Trustee
of The Steven Harold Christensen Inter Vivos Trust Under Agreement Dated December 23,
1998

hereby GRANT(S) to
Luis Segura, a married man, as his sole and separate property

the following described real property in the City of San Francisco
County of San Francisco, State of California:

LEGAL DESCRIPTION ATTACHED HERETO AND MADE A PART HEREOF BY REFERENCE

Dated March 7, 2003

STATE OF CALIFORNIA

COUNTY OF San Francisco

On March 10, 2003

Lawrence A. Sekara

a Notary Public in and for said County and State, personally appeared

Fernando Punla Briosos and

Steven Harold Christensen

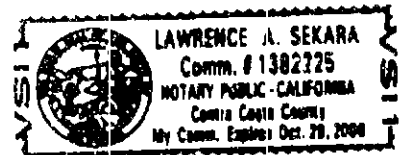
personally known to me (or proved to me on the basis of satisfactory
evidence) to be the person(s) whose name(s) is/are subscribed to the
within instrument and acknowledged to me that he/she/they executed the
same in his/her/their authorized capacity(ies), and that by his/her/their
signature(s) on the instrument the person(s), or the entity upon behalf of
which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Lawrence A. Sekara
Signature of Notary

Oct. 29, 2006

Date My Commission Expires



FOR NOTARY SEAL OR STAMP

MAIL TAX STATEMENTS TO PARTY SHOWN ON FOLLOWING LINE: IF NO PARTY SO SHOWN, MAIL AS DIRECTED ABOVE

Name

Street Address

City, State & Zip

GD1 - 05/30/97 34

LEGAL DESCRIPTION EXHIBIT

CITY OF SAN FRANCISCO

BEGINNING AT A POINT ON THE SOUTHEASTERLY LINE OF SAN JOSE AVENUE, DISTANT THEREON 55.01 FEET SOUTHWESTERLY FROM THE SOUTHWESTERLY LINE OF SANTA YNEZ AVENUE, SAID POINT BEING ALSO THE INTERSECTION OF SAID LINE OF SAN JOSE AVENUE AND THE NORTHWESTERLY LINE OF LOT NO. 3 IN BLOCK "P" MISSION TERRACE, ACCORDING TO MAP HEREINAFTER REFERRED TO; RUNNING THENCE SOUTHWESTERLY ALONG SAID LINE OF SAN JOSE AVENUE 25 FEET TO THE SOUTHWESTERLY LINE OF SAID LOT NO. 3; THENCE SOUTHEASTERLY ALONG SAID LINE OF SAID LOT NO. 3, 100.73 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 25 FEET TO THE NORTHEASTERLY LINE OF SAID LOT NO. 3; THENCE AT A RIGHT ANGLE NORTHWESTERLY ALONG SAID LINE OF SAID LOT NO. 3, 101.07 FEET TO THE POINT OF BEGINNING.

BEING PART OF LOT NO. 3 IN BLOCK "P" ACCORDING TO MAP ENTITLED "MAP OF MISSION TERRACE" FILED IN THE OFFICE OF THE COUNTY RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, MARCH 29, 1911 AND RECORDED IN BOOK 2 "A" AND "B" OF MAPS, PAGES 96 AND 97.

LOT 041, BLOCK 3212

EXHIBIT 2



DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP

(Selling Firm to Buyer)
(As required by the Civil Code)
(C.A.R. Form AD, Revised 12/14)

(If checked) This form is being provided in connection with a transaction for a leasehold interest exceeding one year as per Civil Code section 2079.13(k) and (m).

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction.

SELLER'S AGENT

A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or a subagent of that agent has the following affirmative obligations:

To the Seller: A Fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Seller.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties. An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

BUYER'S AGENT

A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations:

To the Buyer: A fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Buyer.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

AGENT REPRESENTING BOTH SELLER AND BUYER

A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer.

In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:

- (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer.
- (b) Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, the agent may not, without the express permission of the respective party, disclose to the other party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered.

The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction. **This disclosure form includes the provisions of Sections 2079.13 to 2079.24, inclusive, of the Civil Code set forth on page 2. Read it carefully. I/WE ACKNOWLEDGE THIS DISCLOSURE AND THE PORTIONS OF THE CIVIL CODE**

PRINTED ON THE BACK (OR A SEPARATE PAGE)

Buyer Seller Landlord Tenant DocuSigned by: Christopher Walti Date 10/4/2016
 5487A4BB497D
 Buyer Seller Landlord Tenant DocuSigned by: Jamie Patton Date 10/4/2016
 9641072C5666466...
 Jamie Patton

Agent Redfin BRE Lic. # 01521930
 By Baxter Smith Real Estate Broker (Firm) Date 10/4/2016
 86D39F80C72F4B0... BRE Lic. # 01954904
 Salesperson or Broker-Associate Baxter Smith

Agency Disclosure Compliance (Civil Code §2079.14):

- When the listing brokerage company also represents Buyer/Tenant: The Listing Agent shall have one AD form signed by Seller/Landlord and a different AD form signed by Buyer/Tenant.
- When Seller/Landlord and Buyer/Tenant are represented by different brokerage companies: (i) the Listing Agent shall have one AD form signed by Seller/Landlord and (ii) the Buyer/Tenant's Agent shall have one AD form signed by Buyer/Tenant and either that same or a different AD form presented to Seller/Landlord **signature prior to presentation of the offer. If the same form is used, Seller must sign here**

Seller/Landlord Luis Segura Date 10/4/2016 07:18 PM GMT
 Seller/Landlord Yolanda Segura Date 10/4/2016 07:20 PM GMT

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Reviewed by _____ Date _____



AD REVISED 12/14 (PAGE 1 OF 2) DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP (AD PAGE 1 OF 2)

CIVIL CODE SECTIONS 2079.24 (2079.16 APPEARS ON THE FRONT)

2079.13 As used in Sections 2079.14 to 2079.24, inclusive, the following terms have the following meanings: (a) "Agent" means a person acting under provisions of Title 9 (commencing with Section 2295) in a real property transaction, and includes a person who is licensed as a real estate broker under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code, and under whose license a listing is executed or an offer to purchase is obtained. (b) "Associate licensee" means a person who is licensed as a real estate broker or salesperson under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code and who is either licensed under a broker or has entered into a written contract with a broker to act as the broker's agent in connection with acts requiring a real estate license and to function under the broker's supervision in the capacity of an associate licensee. The agent in the real property transaction bears responsibility for his or her associate licensees who perform as agents of the agent. When an associate licensee owes a duty to any principal, or to any buyer or seller who is not a principal, in a real property transaction, that duty is equivalent to the duty owed to that party by the broker for whom the associate licensee functions. (c) "Buyer" means a transferee in a real property transaction, and includes a person who executes an offer to purchase real property from a seller through an agent, or who seeks the services of an agent in more than a casual, transitory, or preliminary manner, with the object of entering into a real property transaction. "Buyer" includes vendee or lessee. (d) "Commercial real property" means all real property in the state, except single-family residential real property, dwelling units made subject to Chapter 2 (commencing with Section 1940) of Title 5, mobilehomes, as defined in Section 798.3, or recreational vehicles, as defined in Section 799.29. (e) "Dual agent" means an agent acting, either directly or through an associate licensee, as agent for both the seller and the buyer in a real property transaction. (f) "Listing agreement" means a contract between an owner of real property and an agent, by which the agent has been authorized to sell the real property or to find or obtain a buyer. (g) "Listing agent" means a person who has obtained a listing of real property to act as an agent for compensation. (h) "Listing price" is the amount expressed in dollars specified in the listing for which the seller is willing to sell the real property through the listing agent. (i) "Offering price" is the amount expressed in dollars specified in an offer to purchase for which the buyer is willing to buy the real property. (j) "Offer to purchase" means a written contract executed by a buyer acting through a selling agent that becomes the contract for the sale of the real property upon acceptance by the seller. (k) "Real property" means any estate specified by subdivision (1) or (2) of Section 761 in property that constitutes or is improved with one to four dwelling units, any commercial real property, any leasehold in these types of property exceeding one year's duration, and mobilehomes, when offered for sale or sold through an agent pursuant to the authority contained in Section 10131.6 of the Business and Professions Code. (l) "Real property transaction" means a transaction for the sale of real property in which an agent is employed by one or more of the principals to act in that transaction, and includes a listing or an offer to purchase. (m) "Sell," "sale," or "sold" refers to a transaction for the transfer of real property from the seller to the buyer, and includes exchanges of real property between the seller and buyer, transactions for the creation of a real property sales contract within the meaning of Section 2985, and transactions for the creation of a leasehold exceeding one year's duration. (n) "Seller" means the transferor in a real property transaction, and includes an owner who lists real property with an agent, whether or not a transfer results, or who receives an offer to purchase real property of which he or she is the owner from an agent on behalf of another. "Seller" includes both a vendor and a lessor. (o) "Selling agent" means a listing agent who acts alone, or an agent who acts in cooperation with a listing agent, and who sells or finds and obtains a buyer for the real property, or an agent who locates property for a buyer or who finds a buyer for a property for which no listing exists and presents an offer to purchase to the seller. (p) "Subagent" means a person to whom an agent delegates agency powers as provided in Article 5 (commencing with Section 2349) of Chapter 1 of Title 9. However, "subagent" does not include an associate licensee who is acting under the supervision of an agent in a real property transaction.

2079.14 Listing agents and selling agents shall provide the seller and buyer in a real property transaction with a copy of the disclosure form specified in Section 2079.16, and, except as provided in subdivision (c), shall obtain a signed acknowledgement of receipt from that seller or buyer, except as provided in this section or Section 2079.15, as follows: (a) The listing agent, if any, shall provide the disclosure form to the seller prior to entering into the listing agreement. (b) The selling agent shall provide the disclosure form to the seller as soon as practicable prior to presenting the seller with an offer to purchase, unless the selling agent previously provided the seller with a copy of the disclosure form pursuant to subdivision (a). (c) Where the selling agent does not deal on a face-to-face basis with the seller, the disclosure form prepared by the selling agent may be furnished to the seller (and acknowledgement of receipt obtained from the selling agent from the seller) by the listing agent, or the selling agent may deliver the disclosure form by certified mail addressed to the seller at his or her last known address, in which case no signed acknowledgement of receipt is required. (d) The selling agent shall provide the disclosure form to the buyer as soon as practicable prior to execution of the buyer's offer to purchase, except that if the offer to purchase is not prepared by the selling agent, the selling agent shall present the disclosure form to the buyer not later than the next business day after the selling agent receives the offer to purchase from the buyer.

2079.15 In any circumstance in which the seller or buyer refuses to sign an acknowledgement of receipt pursuant to Section 2079.14, the agent, or an associate licensee acting for an agent, shall set forth, sign, and date a written declaration of the facts of the refusal.

2079.16 Reproduced on Page 1 of this AD form.

2079.17 (a) As soon as practicable, the selling agent shall disclose to the buyer and seller whether the selling agent is acting in the real property transaction exclusively as the buyer's agent, exclusively as the seller's agent, or as a dual agent representing both the buyer and the seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller, the buyer, and the selling agent prior to or coincident with execution of that contract by the buyer and the seller, respectively. (b) As soon as practicable, the listing agent shall disclose to the seller whether the listing agent is acting in the real property transaction exclusively as the seller's agent, or as a dual agent representing both the buyer and seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller and the listing agent prior to or coincident with the execution of that contract by the seller.

(c) The confirmation required by subdivisions (a) and (b) shall be in the following form.

(DO NOT COMPLETE. SAMPLE ONLY) is the agent of (check one): the seller exclusively; or both the buyer and seller.
(Name of Listing Agent)

(DO NOT COMPLETE. SAMPLE ONLY) is the agent of (check one): the buyer exclusively; or the seller exclusively; or
(Name of Selling Agent if not the same as the Listing Agent) both the buyer and seller.

(d) The disclosures and confirmation required by this section shall be in addition to the disclosure required by Section 2079.14.

2079.18 No selling agent in a real property transaction may act as an agent for the buyer only, when the selling agent is also acting as the listing agent in the transaction.

2079.19 The payment of compensation or the obligation to pay compensation to an agent by the seller or buyer is not necessarily determinative of a particular agency relationship between an agent and the seller or buyer. A listing agent and a selling agent may agree to share any compensation or commission paid, or any right to any compensation or commission for which an obligation arises as the result of a real estate transaction, and the terms of any such agreement shall not necessarily be determinative of a particular relationship.

2079.20 Nothing in this article prevents an agent from selecting, as a condition of the agent's employment, a specific form of agency relationship not specifically prohibited by this article if the requirements of Section 2079.14 and Section 2079.17 are complied with.

2079.21 A dual agent shall not disclose to the buyer that the seller is willing to sell the property at a price less than the listing price, without the express written consent of the seller. A dual agent shall not disclose to the seller that the buyer is willing to pay a price greater than the offering price, without the express written consent of the buyer. This section does not alter in any way the duty or responsibility of a dual agent to any principal with respect to confidential information other than price.

2079.22 Nothing in this article precludes a listing agent from also being a selling agent, and the combination of these functions in one agent does not, of itself, make that agent a dual agent.

2079.23 A contract between the principal and agent may be modified or altered to change the agency relationship at any time before the performance of the act which is the object of the agency with the written consent of the parties to the agency relationship.

2079.24 Nothing in this article shall be construed to either diminish the duty of disclosure owed buyers and sellers by agents and their associate licensees, subagents, and employees or to relieve agents and their associate licensees, subagents, and employees from liability for their conduct in connection with acts governed by this article or for any breach of a fiduciary duty or a duty of disclosure.

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AD REVISED 12/14 (PAGE 2 OF 2)

DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP (AD PAGE 2 OF 2)

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Reviewed by _____ Date _____





SAN FRANCISCO ASSOCIATION of REALTORS®

SAN FRANCISCO PURCHASE AGREEMENT

SAN FRANCISCO ASSOCIATION OF REALTORS® STANDARD FORM
This is intended to be a legally binding contract for the purchase of real property in San Francisco

October 4, 2016 (Date Prepared)

Christopher Walti, Jamie Patton ("Buyer")

offers to purchase the real property known as 1969 San Jose Avenue, San Francisco, CA 94112
or (if checked) this is a purchase of a _____% undivided interest in the entire Tenants-in-Common (TIC) property above pursuant to the attached TIC Purchase Addendum (the "Property") for the Purchase Price of Seven Hundred Sixty Thousand Dollars (\$760,000.00) and upon the following TERMS and CONDITIONS.

1. FINANCIAL TERMS:

- A. \$ 22,800.00 **INITIAL DEPOSIT** by electronic funds transfer or check payable to Escrow Holder or to ("Payee"), which Buyer or Buyer's Broker/Agent shall deposit with Payee within **2 or** ___ business days of Acceptance of this Contract.
- B. \$ _____ **ADDITIONAL DEPOSIT** to be deposited with Escrow Holder within ___ days after Acceptance or on or before _____.
- C. \$ _____ **NEW FIRST LOAN:** This Contract is **contingent** upon Buyer obtaining a new **conventional** or **FHA** **VA** **other** _____ first loan for a term of 30 or ___ years at an initial annual rate of interest not to exceed _____% for a loan which is fixed for the entire term or **fixed for an initial period of** ___ year(s) or ___ month(s) and thereafter adjustable according to the lender's predetermined schedule, secured by a first deed of trust on the Property, with a loan fee of zero or not more than ___ points and on other terms and conditions satisfactory to Buyer. For an FHA/VA loan, an Amendatory Clause Addendum is attached.
- D. \$ _____ **OTHER FINANCING:** This Contract is **contingent** upon Buyer obtaining a new second loan or other additional financing on the following terms: _____
 Assumed Financing Addendum and/or Seller Financing Addendum are attached if checked.
- E. \$ 576,000.00 **NON-CONTINGENT FINANCING:** Buyer intends to obtain new financing in the amount specified. Buyer acknowledges that the full amount may not be obtainable and that the terms and availability of loans are subject to change. **Buyer acknowledges that obtaining financing is not a contingency of this Contract.**
- F. \$ 161,200.00 **CASH BALANCE** which shall be deposited by Buyer with Escrow Holder prior to Close of Escrow ("COE").
- G. \$ 760,000.00 **PURCHASE PRICE, EXCLUDING CLOSING COSTS** (Total of A through F).

2. **ESCROW:** Escrow shall close on (date) or (if checked) **30 days** after Acceptance. If COE falls on a weekend or legal holiday, it shall be extended to the next business day. This Contract, including any addenda and counter offers, shall constitute escrow instructions of Buyer and Seller (the "Parties"). The Parties shall execute additional instructions consistent with this Contract and deliver them to Current Escrow ("Escrow Holder").

3. **FINANCING PROVISIONS:** Buyer affirms that only the loan(s) specified in Paragraph 1 are needed to complete this purchase and shall act diligently and in good faith to obtain them. If Buyer does not remove this financing contingency within **21 or** ___ days after Acceptance, either Party may terminate this Contract. Brokers/Agents urge Buyer to personally confirm loan(s) will fund before removing the financing contingency. Buyer further represents that the funds required for the Deposits, Cash Balance and Closing Costs are available at Buyer's disposal, and that obtaining these funds is **not** a contingency of this Contract. Any credits to Buyer from any source shall be disclosed to Buyer's lenders. If the total credits exceed the lenders' limits then they shall be reduced accordingly with no adjustment in Purchase Price to make up the difference. Seller agrees to provide prompt access to the Property for appraisal purposes, but has no obligation to cooperate with Buyer's efforts to obtain any financing other than as specified herein.

4. **APPRAISAL:** This Contract is (if checked) subject to written appraisal at no less than the Purchase Price or \$ _____. If Buyer does not remove this contingency within **15 or** ___ days after Acceptance, either Party may terminate this Contract.

5. **AGENCY RELATIONSHIPS CONFIRMATION:** The following agency relationships are hereby confirmed for this transaction:
Listing Agent (Strass, Devi) Selling Agent (Redfin)
is the agent of (check one) (if not the same as Listing Agent) is the agent of (check one)
 the Seller exclusively; or the Buyer exclusively; or
 both the Buyer and Seller. the Seller exclusively; or
 both the Buyer and Seller.

DUAL AGENCY: The Parties understand that if the same Brokerage company is designated as the Listing Agent and the Selling Agent, then that Brokerage is representing both Parties as a Dual Agent, to which the Parties consent.

6. **PHYSICAL POSSESSION:** Physical possession of the Property shall be delivered to Buyer **upon recordation of the deed** or (if checked) by 10 a.m. or _____ (time) on _____ (date). (If checked) An Addendum setting forth terms upon which Seller may continue to use the Property after COE is attached to and made a part of this Contract.

7. **OCCUPANCY:** Buyer intends (or does not intend) to occupy the Property as Buyer's residence.

Buyer's Initials

CS JP

Seller's Initials

LS US



Property: 1969 San Jose Avenue, San Francisco Date: October 4, 2016

8. **TITLE REVIEW:** Within **3 days** after Acceptance, Buyer, at Buyer's expense, shall order a Preliminary Report ("Prelim") from Escrow Holder. A Prelim is only an offer to issue a policy of title insurance and may not contain every item affecting title. Buyer shall take title to the Property subject to all encumbrances, easements, rights, covenants, conditions, restrictions and other matters, whether of record or not, as of the day of Acceptance except: (1) monetary liens which, unless otherwise agreed in writing, Seller will pay off from Seller's proceeds at COE; and (2) any matters which Seller has agreed in writing to remove prior to COE. Within **3 days** after Acceptance, Seller shall disclose to Buyer all matters known to Seller affecting title, whether those matters are of record or not. Buyer's review and approval of the Prelim, and of all matters affecting title, is a contingency of this Contract. If Buyer does not remove this contingency within **5 or ___ days** after receipt of the Prelim, either Party may terminate this Contract. At COE Buyer shall receive a grant deed conveying title including any associated rights owned by Seller. (If the Property is a cooperative apartment Buyer shall receive a pledge or assignment of the stock and an assignment of the leasehold interest.) Title shall vest as specified by Buyer. **The manner of taking title may have significant legal and tax consequences. Buyer should consult with their legal and tax advisors.** Buyer should direct all questions regarding title insurance coverage, its cost, and the availability of enhanced coverages, such as those offered by an ALTA policy, to the Escrow Holder or Title Company.

9. **ITEMS INCLUDED IN THE SALE:** To the extent owned by Seller, unless excluded in Paragraph 10 below, all existing fixtures and fittings attached to the Property and major appliances for which custom openings or encasements have been made are included, free of liens, in the Purchase Price, **including** electrical, lighting, plumbing and heating fixtures, hardware, solar systems, screens, awnings, shutters, window coverings, attached floor coverings, television antennas/satellite dishes and related equipment, water softening systems, air coolers or conditioners, pool and spa equipment, mailbox, garage door openers and transmitters, trees, shrubs and outdoor plants planted in the ground, private telephone systems, security systems and home automation systems, together with any dedicated hardware and/or applicable software and passwords needed to operate them.

A. PERSONAL PROPERTY ITEMS INCLUDED: Items listed in the MLS, disclosures or marketing materials, are not included in the sale unless specified in this Contract. The personal property checked below, on the Property at Acceptance, is **included** in the sale, free of liens, but with no warranty of condition:

<input checked="" type="checkbox"/> All refrigerators	<input checked="" type="checkbox"/> Washers and dryers	<input type="checkbox"/> Microwave	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/> All ranges/stoves	<input type="checkbox"/> Wine cooler	<input type="checkbox"/> Freezer	<input type="checkbox"/>	<input type="checkbox"/> See Additional Terms

B. LEASED OR LIENED ITEMS: If any included items are leased or liened, Seller shall identify them within **3 days** of Acceptance and deliver to Buyer all leases, contracts, terms of use, and warranties, which shall be subject to Buyer's reasonable approval. If Buyer does not remove this contingency within **12 or ___ days** after receipt of documents, either party may terminate this Contract.

10. **ITEMS EXCLUDED FROM THE SALE:** All items owned by the staging company, which may include window coverings & mirrors; furniture attached only for earthquake safety; externally mounted audio-visual equipment (e.g. flat panel screens) and brackets (when removed, holes shall be repaired but not painted); **and these additional exclusions:** _____

11. **PRORATIONS AND EXPENSES:** The following shall be paid current and then prorated between Buyer and Seller as of COE: real property taxes (based upon the latest information available regarding the assessed value of the Property and the applicable tax rate); bonds and assessments; Homeowners' Association ("HOA") dues and assessments; interest on any loan(s) secured by the Property assumed by Buyer; premiums for any insurance on the Property assumed by Buyer; rents; and operating expenses. Buyer shall pay the escrow fee, title insurance premiums, any community enhancement fee, and any HOA transfer, certification and move-in fees. Seller shall pay the City and County transfer tax, any HOA move-out fee, and any prepayment penalty or other fees or charges imposed by lenders for loans being paid off through escrow. Unless specified in this Contract, all other prorations and expenses shall be paid by either Buyer or Seller in accordance with local custom. Buyer and Seller understand that the Property will be reassessed upon change of ownership. Supplemental tax bills will be sent to Buyer which will reflect a change in property taxes based on the Purchase Price becoming the new assessed value. Any tax bills issued after COE, for periods of time before COE, shall be paid by Seller.

12. **BUYER'S DUE DILIGENCE: Brokers/Agents strongly recommend that Buyer obtain the inspection reports provided by Paragraph A and any further inspections recommended in those reports.**

A. PROPERTY INSPECTIONS: Buyer's obligations under this Contract are contingent upon Buyer's written approval, at Buyer's sole discretion, of the physical condition of the Property, including parking and storage availability, neighborhood issues, and any other matter reasonably affecting the Property. Within the time specified below, Buyer shall have the right to conduct inspections of the Property by contractors, engineers, architects, and/or other experts retained by Buyer, which inspections may include, but are not limited to, a general property inspection, a structural pest control inspection, the foundation, framing, roof, plumbing, sewer lines, heating, air conditioning, electrical and mechanical systems, built-in appliances, retaining walls, geologic conditions, pool/spa and related equipment, environmental hazards (such as asbestos, mold, electromagnetic fields, radon gas, lead-based paint or lead hazards, fuel or chemical storage tanks, and other materials or products), noise transmission, water/utility use restrictions, and location of property lines. **Brokers/Agents do not certify or verify lot size, boundary lines or interior square footage, information contained in inspection reports, advertising, or representations of others.** Seller shall permit the inspections upon receiving reasonable advance notice from Buyer. Buyer shall provide Seller with copies of all written reports received. During the due diligence period, Buyer may request that Seller make repairs or credit Buyer for the estimated costs of identified repair work, but Seller shall not be obligated to agree to any such request. **If Buyer does not remove this contingency within 15 or ___ days after Acceptance, either Party may terminate this Contract.**

Buyer's Initials

Seller's Initials

Property: 1969 San Jose Avenue, San Francisco Date: October 4, 2016

B. WAIVER OF PROPERTY INSPECTIONS: If initialed below, Buyer waives the contingency established in Paragraph 12A above. Buyer is aware that all real property and improvements contain defects and conditions which are not readily apparent and which may affect the value and/or desirability of the Property. Buyer and Seller acknowledge that Broker/Agents do not guarantee and in no way assume responsibility for the condition of the Property. Buyer also is aware of Buyer's own affirmative duty to exercise due diligence in observing the condition of and inspecting the Property to protect Buyer's interests. **Buyer understands, acknowledges and agrees that any reports Buyer may have received from any source do not constitute representations or warranties by either Seller or Brokers/Agents as to the past, present or future condition, use or development potential of the Property. Brokers/Agents strongly recommend that Buyer retain Buyer's own contractors and other appropriate experts to investigate the condition and suitability of all aspects of the Property including, but not limited to, all matters affecting its use, value and desirability for the purposes intended by Buyer. If Buyer waives any or all rights to perform the inspections as specified in Paragraph 12A above, then Buyer is proceeding against the advice of Brokers/Agents, and Buyer agrees to release Seller and Brokers/Agents from all claims, demands, and liabilities which in any way relate to or arise from any issue which might have been disclosed, detected and/or evaluated by such inspections.**

Buyer's Initials CS / _____ Buyer hereby waives the inspection contingency established by Paragraph 12A above.

13. CONDOMINIUM / COOPERATIVE APARTMENT DISCLOSURE: If the Property is a condominium or cooperative apartment, this Contract is contingent upon Buyer's review and approval of the documents described below. Within **10 or** _____ **days** after Acceptance, Seller, at Seller's expense, shall furnish Buyer with copies of the Property's legal description (including parking and storage spaces, if any), covenants, conditions and restrictions, articles of incorporation, bylaws, rules and regulations currently in force, the most recent financial statements of the HOA, a current operating budget, 1 year's minutes of HOA meetings, a Condominium Financial Disclosure Statement prepared by the HOA or its management company, and any other documents required by law. Seller shall also advise Buyer within this time of any delinquent or special but uncollected assessments, any anticipated extraordinary maintenance or repair expenses and any pending or anticipated litigation affecting the Property. **Seller shall promptly notify Buyer of any new or revised HOA documents received by Seller prior to COE.** If Buyer does not deliver written approval to Seller of the initial or any new or revised documents, within **5 or** _____ **days** after Buyer's receipt, either Party may terminate this Contract. Approval of the documents shall be at Buyer's reasonable discretion. Buyer is hereby advised that any structural pest control or other inspections of common areas maybe subject to the approval of, and limited in scope by, the HOA. If the Property is new construction or newly converted to condominiums, and this is the first sale of this unit, Buyer shall pay a pro-rata share of any new insurance policy placed on the entire building; otherwise Seller will not receive any credit for insurance, other than through a proration of the established periodic HOA fee for this unit as of COE.

(If checked) The attached Cooperative Apartment Purchase Addendum is made a part of this Contract and the time frames specified in this Paragraph shall apply to that Addendum.

14. RENTAL PROPERTY: Buyer purchases the Property subject to existing leases and the rights of parties in possession. If it is intended that one or more tenant-occupied units be delivered vacant, the Parties should consult with a qualified San Francisco landlord-tenant attorney. Prior to COE, Seller agrees that no new (or changes to those existing) leases or rental agreements shall be entered into without Buyer's prior written consent, which consent shall not be unreasonably withheld. Within **3 days** after Acceptance, Seller shall deliver all tenants written Rental Information Questionnaires, requesting from each tenant acknowledgment of the terms and conditions of the tenant's rental. Protected Tenant Status Information forms shall also be delivered by Seller to all eligible tenants. Within **7 or** _____ **days** after Acceptance, Seller shall deliver to Buyer copies of all leases, rental agreements, applications and §6.14 notices as well as copies of all outstanding notices sent to tenants and Seller shall complete a Rental Property Statement which shall include: (1) any and all oral agreements with tenants; (2) uncured defaults by Seller or tenants; (3) claims made by Seller against tenants or by tenants against Seller in any court of law or to the San Francisco Rent Board or other government agencies, whether pending, threatened or resolved; (4) all tenants' deposits held by Seller, including any claimed offsets against those deposits; (5) any pass-throughs which constitute part of the existing rent, including the nature of the pass-through, the amount, and the period of time for which it is in effect; (6) which units include parking or storage spaces as part of the rent, whether any parking or storage spaces are rented to non-tenants, the amount received for each space, and the terms of any rental agreement or lease for the space; (7) each unit's rental status, with a disclosure and information on any buyouts if vacant or, from the start of the current tenant's occupancy, notices of rent increases, reductions, and/or changes to the terms of the tenancy; (8) any Default or Termination Notices served on tenants and, if the notices have been filed with the San Francisco Rent Board, proof of such filing; and (9) any requests from tenants for repairs, defective conditions, concessions or rent reductions, new services, or substitution of roommates. No later than **10 or** _____ **days** after Acceptance, Seller shall deliver to Buyer all completed Rental Information Questionnaires and Protected Tenant Status Information forms returned by tenants to Seller. If any forms are returned after that day, Seller agrees to provide them to Buyer within **2 days** of Seller's receipt. If Buyer does not deliver to Seller, within **7 or** _____ **days** after receipt of the documents, notice approving them, either Party may terminate this Contract. Approval of the documents shall be at Buyer's sole discretion. Seller shall deliver to Escrow Holder prior to COE: (1) any and all tenants' deposits, including security deposits, last month's rents, cleaning, key or other deposits, and any required interest accrued thereon through COE, which deposits and interest shall be disbursed to Buyer at COE; and (2) copies of any notice(s) of the transfer of deposits given by Seller to tenants.

Buyer's Initials

Seller's Initials

CS / JP

Property: 1969 San Jose Avenue, San Francisco Date: October 4, 2016

15. **RENTAL PERSONAL PROPERTY:** (If checked) All personal property on the Property at Acceptance owned by Seller and used in operation of the Property is included. Seller shall provide, within **7 or** ___ days after Acceptance, an inventory of the personal property.

16. **INCOME AND EXPENSE STATEMENT:** (If checked) Within **7 or** ___ days after Acceptance, Seller shall deliver to Buyer a true and complete statement of the income and expenses of the Property for calendar years ___ and the current year to date. If Buyer does not deliver to Seller, within **7 or** ___ days after receipt of the statement, notice approving it, either Party may terminate this Contract. Approval of the statement shall be at Buyer's sole discretion.

17. **INTENT TO EXCHANGE PROPERTY:** Buyer and/or Seller intends to include this Property in an IRC §1031 exchange, subject to the terms of the attached Addendum. Any exchange is **not** a contingency of this Contract unless specified as such in the Addendum or elsewhere. The other Party consents to an exchange on the condition that they incur no additional expense or liability.

18. **SALE OF BUYER'S PROPERTY:** This Contract is contingent upon the sale of another property owned by Buyer, as stated in the attached Addendum.

19. **SELLER'S MANDATED AND CONTRACTUAL DISCLOSURES:** The following disclosures shall be delivered to Buyer **within 3 days** of Acceptance. This Contract is contingent upon Buyer's review and approval of these disclosures. If Buyer does not deliver approval to Seller of these disclosures, or any amendment, within **5 or 2 days** after Buyer's receipt, either Party may terminate this Contract. Buyer shall return to Seller signed copies of all documents within **7 or 2 days** of receipt. If prior to COE, Seller becomes aware of any inaccurate or undisclosed material facts, Seller shall amend Seller's disclosure accordingly. No amendment is required for any conditions of which Buyer is or becomes otherwise aware, or which are contained in reports given to or ordered by Buyer.

A. **REAL ESTATE TRANSFER DISCLOSURE STATEMENT ("TDS"):** (Applies to properties with 1 to 4 residential units.) Unless exempt, Seller shall complete and deliver to Buyer a statutory TDS (Civil Code §1102), which shall be deemed complete when Seller has answered all questions and signed Section II and the listing Broker/Agent has completed and signed Section III. If the TDS is provided to Buyer prior to Acceptance, there are no termination rights based on items disclosed.

B. **SAN FRANCISCO SELLER DISCLOSURE:** (Applies to all properties.) Even if exempt from delivery of a TDS, Seller shall complete and deliver to Buyer the San Francisco Seller Disclosure, which shall be deemed complete when Seller has answered all applicable questions and initialed/signed each page.

C. **NATURAL HAZARDS DISCLOSURE ("NHD"):** (Applies to all properties.) Seller shall provide an NHD report disclosing if the Property is located in a flood, fire, seismic hazard or other zone for which disclosure is required by law. If a TDS is required, the NHD report shall also disclose if the Property is in a special tax district or area.

D. **EARTHQUAKE HAZARDS DISCLOSURE:** (Applies only to properties with 1 to 4 residential units built prior to 1960.) Seller shall deliver to Buyer the "Homeowner's Guide to Earthquake Safety" and complete a disclosure in compliance with Gov. Code §8897.

E. **LEAD-BASED PAINT HAZARDS DISCLOSURE:** (Applies to all properties with residential units built prior to 1978.) Seller shall complete and deliver to Buyer a Lead-Based Paint Hazards Disclosure and Addendum in compliance with 42 U.S.C. 4852d.

F. **BUILDING PERMIT HISTORY:** (Applies to all properties with residential units, except new construction.) Seller shall provide to Buyer a current Report of Residential Building Record ("3R"). Brokers/Agents do not investigate or verify the accuracy of the information contained in a 3R. Buyer is advised to investigate to Buyer's own satisfaction the status of zoning, permits or code compliance with the local planning department and not rely on the 3R to determine if the Property meets Buyer's intended uses.

G. **OTHER DISCLOSURES:** Seller shall provide Buyer with all documents in Seller's possession needed to complete Seller's disclosure obligation.

20. **COMPLIANCE WITH OTHER LOCAL, STATE AND FEDERAL LAWS:** Buyer is advised to consult with the appropriate authorities to determine the extent to which other local, State and federal laws may affect the ownership and use of the Property.

A. **SMOKE AND CARBON MONOXIDE DETECTORS:** Unless an exemption applies, State and local law requires that every residential property be properly equipped with approved and functioning smoke (or heat) and carbon monoxide detectors. If such detectors are not installed on the Property in accordance with applicable law, Seller shall install and pay for the detectors prior to COE.

B. **WATER HEATERS:** California law requires water heaters to be strapped, braced or anchored to resist falling or displacement. The State Uniform Plumbing Code also requires that new or replacement water heaters located in a garage area be installed such that their ignition point is at least 18 inches above the floor. Different local authorities may have more stringent requirements. Seller shall bring water heaters into compliance prior to COE.

C. **UNDERGROUND STORAGE TANKS ("USTs"):** The Parties acknowledge that Article 21 of the San Francisco Health Code requires owners of real property in San Francisco with USTs located on or immediately adjacent to the Property to file a plan for their closure within **30 days** of discovery. If Seller has not provided Buyer with a written report by a licensed contractor specializing in USTs stating that no such tanks can be located, then Buyer is advised to conduct Buyer's own professional inspection, which Seller shall permit. If the inspection reveals the existence of USTs, then Seller shall, at Seller's expense, remove them and complete any necessary remedial work to the Property prior to COE. Buyer may be responsible for USTs found after COE.

D. **ENERGY AND WATER CONSERVATION:** Unless exempt, Seller shall order an energy and/or water conservation inspection. Seller shall pay for all requisite energy/water remediation work, not to exceed the maximum amount set by local law. Seller shall complete the work by COE and comply with all filing, recordation and other requirements.

Buyer's Initials

Seller's Initials

LS US

Property: 1969 San Jose Avenue, San Francisco Date: October 4, 2016

- 21. **ILLEGAL UNITS OR ROOMS:** Buyer understands that units, rooms, or additions to the Property may not have been legally permitted. They may violate zoning ordinances, may have been built without building permits, and a certificate of final completion and occupancy may not have been issued. Buyer may be required to bring them into compliance or to remove kitchens or other facilities at Buyer's expense. A substantial fine may be imposed and Buyer may be prevented from renting any illegal units. **Buyer is advised to obtain legal advice from a qualified San Francisco real estate attorney with respect to potential claims tenants renting illegal units may have.**
- 22. **RESIDENTIAL RENT CONTROL ORDINANCE:** If the Property is located in San Francisco, Buyer is advised that there is in effect a Residential Rent Stabilization and Arbitration Ordinance, amended from time to time, which may severely affect Buyer's rights of ownership and right to move into the Property. **Buyer is advised to research documents filed with the San Francisco Rent Board pertaining to the Property and to obtain legal advice from a qualified San Francisco landlord-tenant attorney.**
- 23. **MEGAN'S LAW:** Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at <http://www.meganslaw.ca.gov>. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides.
- 24. **NOTICE REGARDING GAS AND HAZARDOUS LIQUID TRANSMISSION PIPELINES:** This notice is being provided simply to inform you that information about the general location of gas and hazardous liquid transmission pipelines is available to the public via the National Pipeline Mapping System (NPMS) Internet Web site maintained by the United States Department of Transportation at <http://www.npms.phmsa.dot.gov>. To seek further information about possible transmission pipelines near the Property, you may contact your local gas utility or other pipeline operators in the area. Contact information for pipeline operators is searchable by ZIP Code and county on the NPMS Internet Web site.
- 25. **RISK OF LOSS:** (Civil Code §1662) If the Property is materially destroyed prior to the transfer of title or delivery of possession to Buyer, Seller cannot enforce this Contract and Buyer is entitled to recover deposits already made.
- 26. **CONDITION OF PROPERTY:** Seller shall maintain this Property in the same general condition as when this Contract was signed by both Parties until possession is delivered to Buyer. Seller shall deliver the Property free of debris and in broom-clean condition and provide Buyer, at possession, with keys to all locks, mail boxes, alarms and garage doors; garage door remote controls and any codes or passwords. Buyer and Seller agree that Broker/Agents shall not be responsible for Seller's performance under this Paragraph.
- 27. **WALK-THROUGH:** Buyer shall have the right to make a final inspection of the Property within **5 or ___ days** prior to COE, not as a condition of the sale but solely to confirm that: (a) the Property is in substantially the same condition as on the Date of Acceptance, unless otherwise agreed to in writing; and (b) Seller has complied with all additional written obligations regarding the condition of the Property.
- 28. **HOME WARRANTY PLANS:** Buyer and Seller acknowledge they are aware of the availability of home warranty plans which provide limited coverage against system and appliance failures, but have not relied upon any representation by Brokers/Agents regarding the extent of coverage of any such plan. (If checked) A 1-year home warranty plan shall be purchased at a cost not to exceed \$ _____, to be paid by _____, with the cost of any additional coverage to be borne by Buyer. **Or** A home warranty plan is declined by Buyer.
- 29. **BROKERS/AGENTS:** No Brokers or Agents are parties to this Contract between Buyer and Seller. The term "Brokers/Agents" as used in this Contract shall mean the licensees who have served as real estate brokers or agents for either the Buyer or the Seller in the preparation, negotiation and review of this Contract.
- 30. **TAX WITHHOLDING:** The California Revenue and Taxation Code §18662 requires Buyer to withhold from Seller's proceeds 3 1/3% of the gross sale price, unless Seller signs an affidavit stating that the Property has been Seller's principal residence as defined in IRC §121, or another exemption applies. Further, if Seller is a foreign person or corporation, as defined in the Foreign Investment in Real Property Tax Act (FIRPTA), Buyer must, unless an exemption applies, withhold from Seller's proceeds up to 15% of the gross sale price of the Property. At least **7 or ___ days** prior to COE, the Parties shall deliver to Escrow Holder, acting as a Qualified Substitute under IRC §1445 and a State REEP, all documentation necessary to carry out the provisions of these laws. The Parties instruct Escrow Holder to deduct from Seller's proceeds any amounts required. If Escrow Holder receives a Non-Foreign affidavit from Seller, they shall give Buyer a Qualified Substitute Statement attesting to that, under penalty of perjury, prior to COE.
- 31. **NON-CONFIDENTIALITY OF OFFERS:** Buyer is advised that Seller or Seller's representatives may not treat the existence, terms or conditions of offers as confidential unless such is required by law, regulation or a pre-existing agreement between the Parties.
- 32. **TIME:** Time is of the essence. All references to "days" shall mean calendar days, unless otherwise specified.
- 33. **DELIVERY OF DOCUMENTS:** All documents to be delivered by a Party under this Contract, including but not limited to the Acceptance, contingency removals, and/or any termination notice issued by Buyer or Seller, shall be in writing and effective only upon personal receipt by the other Party or that Party's Broker/Agent. Delivery by any method (e.g. personal, mail, fax, e-mail, etc.) is effective.
- 34. **MULTIPLE LISTING SERVICE:** The Parties hereby grant to the San Francisco Association of REALTORS® Multiple Listing Service ("MLS") the right to publish and disseminate the sales price, terms of this Contract and other information about the Property and authorize their respective Brokers/Agents to submit such information under the applicable MLS rules.

Buyer's Initials

Seller's Initials

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(Rev. 09/16)

CS JP

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LS / US (Contract)
1969 San Jose

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Property: 1969 San Jose Avenue, San Francisco Date: October 4, 2016

35. **MEDIATION OF DISPUTES:** If a dispute arises regarding this Contract, Buyer and Seller agree to first attempt in good faith to settle the dispute by non-binding mediation before resorting to court action or binding arbitration. In mediation, a mutually acceptable resolution is sought rather than a settlement being imposed on the Parties. Mediation fees shall be paid equally by Buyer and Seller. The C.A.R. Real Estate Mediation Center for Consumers (www.consumermediation.org) shall be used, unless another mediation provider is mutually agreed to by the Parties. This Paragraph shall not apply to any disputes within the jurisdictional limits of Small Claims Court. Any Party who fails or refuses to mediate as required by this Paragraph, shall not be entitled to any attorney's fees award under this Contract. A court action to obtain a provisional remedy shall not be a violation of this Paragraph provided the Party commencing the action agrees, pending mediation, to an immediate stay of the court action after obtaining the provisional remedy or lis pendens. This Paragraph shall apply regardless of whether the Parties also agree to arbitration.

36. **ARBITRATION OF DISPUTES:** Any dispute or claim in law or equity arising out of this Contract or any resulting transaction shall be decided by neutral binding arbitration in accordance with the rules of JAMS and not by court action, except as provided by California law for judicial review of arbitration proceedings. The Parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05. Arbitrators can award compensatory damages, punitive damages, and/or order specific performance, injunctive relief and declaratory relief. Judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The following matters are excluded from arbitration hereunder: (a) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage, or real property sales contract as defined in Civil Code §2985; (b) an unlawful detainer action; (c) the filing or enforcement of a mechanic's lien; (d) any matter which is within the jurisdiction of a probate court or a Small Claims Court; or (e) an action for bodily injury or wrongful death. The filing of a judicial action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a waiver of the right to arbitrate under this provision.

"NOTICE: BY INITIALLING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALLING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY."

"WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION."

Buyer's Initials
LS / US

Seller's Initials
LS / US

37. **LIQUIDATED DAMAGES:** If Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. If the Property is a dwelling with no more than four units, one of which Buyer intends to occupy, then the amount retained shall be no more than 3% of the Purchase Price. Any excess shall be returned to Buyer. Release of funds will require mutual, signed release instructions from both Buyer and Seller, judicial decision or arbitration award. BUYER AND SELLER SHALL SIGN A SEPARATE LIQUIDATED DAMAGES AGREEMENT FOR ANY INCREASED DEPOSIT.

Buyer's Initials
LS / US

Seller's Initials
LS / US

38. **LEGAL ADVICE ON ARBITRATION AND LIQUIDATED DAMAGES:** Buyer and Seller acknowledge that they have not received or relied upon any representation by Brokers/Agents regarding Arbitration and Liquidated Damages and that they have been advised by Brokers/Agents to seek legal advice from a qualified real estate attorney. In the event only one Party initials either clause (Arbitration or Liquidated Damages), that clause shall not be part of this Contract as formed.

39. **ATTORNEYS' FEES:** In any action, proceeding or arbitration between Buyer and Seller arising out of this Contract, the prevailing Party shall be entitled to reasonable attorney fees and costs from the non-prevailing Party.

40. **ACCEPTANCE:** Under this Contract, Acceptance occurs only when Seller signs Buyer's original offer and Addenda without any changes and a signed copy is delivered to Buyer or Buyer's Broker/Agent, OR when the last of any counter offers has been signed by the receiving Party without any changes and a signed copy of that counter offer is delivered to the issuing Party. Signed means by application of a written signature or, to the fullest extent allowed by California law, an electronic signature on an original document, counterpart, photocopy or electronic copy. The Parties agree that electronic means will not be used by either of them to alter the content or integrity of the Contract.

Buyer's Initials

Seller's Initials

Buyer's Initials
LS / US

Seller's Initials
LS / US (Contract)
1969 San Jose

Property: 1969 San Jose Avenue, San Francisco Date: October 4, 2016

- 41. **TERMINATION:** The following provisions apply except for a good faith exercise by either Party of a contractual contingency or a statutory right to terminate which can be done unilaterally by notice by a Party. Termination of this Contract by Seller shall be effected only after delivery of a Notice to Perform to Buyer which provides at least 2 days to perform contractual terms or remove contingencies. In the event that Buyer does not perform as noticed, Seller may terminate this Contract. Termination of this contract due to Seller's failure to perform contractual terms or remove contingencies, including Seller's failure to provide documents or reports mandated by this Contract or otherwise required by law, or Seller's failure to remove a Seller contingency, shall be effected only after delivery of a Notice to Perform to Seller which provides at least 2 days to perform as noticed. In the event that Seller does not perform as noticed, Buyer may terminate this Contract. Either Party may issue a Notice to Perform no sooner than 2 days prior to the contractual deadline. The obligation to close escrow as provided in paragraph 2 above is a contractual term requiring a Notice to Perform. Any escrow or title company charges shall be borne by Buyer. Release of funds from escrow will require mutually consistent signed instructions from both Buyer and Seller, or the rendering of a judicial decision or arbitration award authorizing the release.
- 42. **BROKERS' COMPENSATION:** The Parties irrevocably instruct Escrow Holder to disburse to Brokers at COE compensation from funds in escrow in accordance with the terms set forth in the listing agreement for the Property or other compensation agreement. Compensation instructions can be amended or revoked only with the written consent of Listing and Selling Brokers.
- 43. **GENERAL PROVISIONS:** This Contract contains the entire agreement of the Parties. Any purported or prior agreement or representation respecting the Property or the duties of Buyer and Seller in relation thereto which is not expressly set forth herein is null and void. No amendment to or modification of this Contract shall be valid or enforceable unless in writing and signed by Buyer and Seller. This Contract shall be binding upon, and inure to the benefit of, the Parties' respective heirs, successors and assigns.
- 44. **REPRESENTATIVE CAPACITY:** The Parties acknowledge and accept that a Buyer and/or a Seller is signing this Agreement and the related transaction disclosures and documents as a representative, not as an individual, and agrees to provide a Representative Capacity Signature Disclosure form, with evidence of the authority to so act, to the other Party within **3 days** of Acceptance.
- 45. **ACKNOWLEDGMENT OF RECEIPT:** The Parties hereby acknowledge receipt of a copy of this Contract and represent that they have read, and that they understand, its provisions.
- 46. **ADDITIONAL TERMS AND CONDITIONS** including all attached Addenda signed by Buyer and Seller shall be deemed a part of this Contract. *Seller expressly represents to Buyer that Seller has disclosed and shared with Buyer all written leases for all tenancies located at 1969 San Jose Avenue, San Francisco, CA 94112 (hereinafter "Premises"). Seller further Continued... See Addendum Additional Terms 1*
- 47. **EXPIRATION:** This offer shall be deemed revoked unless a copy of this Contract with Seller's signature accepting it is delivered to Buyer or Buyer's Broker/Agent within **24 or** _____ **hours** of presentation to Seller, or (if checked) not later than _____ (time) on _____ (date).

NO REPRESENTATION IS MADE AS TO THE LEGAL SUFFICIENCY OR VALIDITY OF ANY PROVISION OF THIS CONTRACT FOR ANY SPECIFIC TRANSACTION. BROKERS/AGENTS CAN ADVISE ON REAL ESTATE TRANSACTIONS ONLY. FOR LEGAL OR TAX ADVICE, CONSULT A QUALIFIED ATTORNEY OR CPA.

Buyer Christopher Walti Date 10/4/2016 Buyer Jamie Patten Date 10/4/2016
DocuSigned by: Christopher Walti 546744BB487DCBA... DocuSigned by: Jamie Patten 6641072C586C466...

ACCEPTANCE

The undersigned Seller hereby accepts the foregoing offer and agrees to sell the Property on the terms and conditions set forth herein, OR (if checked) accepts on the above terms and conditions as amended by Seller's Counter Offer

Seller Luis Segura Date 10/06/2016 07:18 PM GMT Seller Yolanda Segura Date 10/06/2016 07:20 PM GMT
DocuSigned by: Luis Segura DocuSigned by: Yolanda Segura

BROKER/AGENT COMPENSATION AGREEMENT AND ACKNOWLEDGMENT OF AGENCY RELATIONSHIPS

Listing Broker agrees to assign and pay to Selling Broker from the commission as set forth in a separate written listing agreement between Seller and Listing Broker, the amount specified in the MLS, or (if checked) in a separate written agreement between the Brokers. Any percentages shown shall be based upon the Purchase Price, unless otherwise specified. Broker(s) hereby agree to the terms and conditions for compensation stated above and acknowledge the agency relationships confirmed in this Contract.

Selling Broker Redfin CalBRE License # 01521930
 By (Broker/Agent for Buyer) Baxter Smith Date 10/4/2016 CalBRE License # 01954904
DocuSigned by: Baxter Smith 66DD0FE0C72F439...
 Listing Broker Strass, Devi CalBRE License # _____
 By (Broker/Agent for Seller) Devi Strass Date 10/06/2016 05:38 PM GMT CalBRE License # 01280032
DocuSigned by: Devi Strass

Reviewed by Managing Broker _____ Date _____



**SAN FRANCISCO
ASSOCIATION of REALTORS®**

TEXT OVERFLOW ADDENDUM Page 1
SAN FRANCISCO ASSOCIATION OF REALTORS® STANDARD FORM
This form is intended for use in San Francisco

The following terms and conditions are hereby incorporated in and made a part of the Purchase Agreement or other form for the Property known as 1969 San Jose Avenue, San Francisco, CA 94112

in which Christopher Walti, Jamie Patton is referred to as "Buyer"
and Luis Segura, Yolanda Segura is referred to as "Seller".

1) Additional Terms

represents that every tenancy at the Premises is currently on a month-to-month basis. Seller's representation specifically covers the tenancies related to Pinky Lemaster (Room 1, Upstairs Unit); Florence Bell (Room 2, Upstairs Unit); Alejandro Castillo (Room 3, Upstairs Unit), Alma Alanis Villegas (Room 4, Upstairs Unit); Claudia Parada (Room 5, Upstairs Unit); Raul Zepeda Lee (Room 6, Downstairs Unit); and Andrew Gilbert Challenger (Room 7, Downstairs Unit). Buyer is expressly relying upon Seller's representation in entering into this purchase agreement with Seller.

Buyer DocuSigned by:
Christopher Walti Date 10/4/2016
5467A4PB497D4RA
Christopher Walti

Buyer DocuSigned by:
Jamie Patton Date 10/4/2016
9641072C5666486
Jamie Patton

Seller 10/06/2016
07:18 PM GMT
Luis Segura

Seller 10/06/2016
07:20 PM GMT
Yolanda Segura

BROKERS/AGENTS CAN ADVISE ON REAL ESTATE TRANSACTIONS ONLY. FOR LEGAL OR TAX ADVICE, CONSULT A QUALIFIED ATTORNEY OR CPA.





**SAN FRANCISCO
ASSOCIATION of REALTORS®**

CONTINGENCY REMOVAL # 1
SAN FRANCISCO ASSOCIATION OF REALTORS® STANDARD FORM
This form is intended for use in San Francisco.

Contingency Removal for the San Francisco Purchase Agreement dated October 4, 2016 (Date Prepared)
for the Property known as 1969 San Jose Avenue, San Francisco, CA 94112
between Christopher Walti, Jamie Patton ("Buyer")
and Luis Segura, Yolanda Segura ("Seller").

By checking a box below, Buyer acknowledges that Buyer (a) has had the opportunity to inspect or has received documents pursuant to the referenced items in the San Francisco Purchase Agreement (Buyer has signed, or agrees to sign, copies of said documents for Broker/Agent's transaction file) and (b) is fully satisfied with the matters addressed in the referenced paragraph of the Contract. Except for information contained in Seller's and Broker/Agent's Disclosure Statements, Buyer has not relied upon Seller's or Broker/Agent's representations as to the condition of the Property.

- | <u>Check</u> | <u>Contract Paragraph and Terms</u> |
|-------------------------------------|---|
| <input type="checkbox"/> | 1 <u>Financing Provisions</u> |
| <input type="checkbox"/> | 4 <u>Appraisal</u> |
| <input type="checkbox"/> | 8 <u>Title Review</u> (subject to the Exceptions noted below) |
| <input type="checkbox"/> | 9B <u>Leased or Liented Items</u> |
| <input type="checkbox"/> | 12A <u>Property Inspections</u> (subject to the Exceptions noted below) |
| <input type="checkbox"/> | 13 <u>Condominium Disclosure</u> (including parking and storage spaces, CC&Rs, Bylaws, Articles of Incorporation, rules and regulations, budget, financial statements of the Homeowners Association, one year's minutes of the Homeowners Association meetings, and any other condominium documents required by law or this Contract) |
| <input type="checkbox"/> | 14 <u>Rental Property</u> (including copies of all leases and rental agreements, copies of all outstanding notices sent to tenants, notification of any pass-throughs which constitute part of the existing rent, which units include parking as part of the rent, whether or not any parking spaces are rented to non-tenants, vacant unit disclosures, any buyout agreements, the rental history of each unit from the date of each tenant's occupancy to the present, notices of rent increases, rental information questionnaires and protected tenant status forms received back from tenants) |
| <input type="checkbox"/> | 16 <u>Income and Expense Statement</u> (for the current year and prior requested years) |
| <input type="checkbox"/> | 18 <u>Sale of Buyer's Property</u> |
| <input type="checkbox"/> | 19A <u>Real Estate Transfer Disclosure Statement</u> |
| <input type="checkbox"/> | 19B <u>San Francisco Seller Disclosure</u> |
| <input type="checkbox"/> | 19C <u>Natural Hazards Disclosure Statement/Report</u> |
| <input type="checkbox"/> | 19D <u>Earthquake Hazards Disclosure</u> |
| <input type="checkbox"/> | 19E <u>Lead-Based Paint Hazards Disclosure</u> |
| <input type="checkbox"/> | 19F <u>Building Permit History</u> (Report of Residential Building Record - 3R) |
| <input type="checkbox"/> | 19G <u>Other Disclosures:</u> _____ |
| <input type="checkbox"/> | 46 <u>Additional Terms:</u> _____ |
| <input type="checkbox"/> | Addenda <input type="checkbox"/> TIC Purchase <input type="checkbox"/> Other: _____ <input type="checkbox"/> Other: _____ |
| <input checked="" type="checkbox"/> | All remaining Buyer contingencies established by the Contract. |

Exceptions (attach separate sheet, if necessary): _____

Do not use this form to renegotiate the terms of the Contract. If Buyer is only willing to remove contingencies in exchange for Seller concessions, Broker/Agent recommends that Buyer use a Request for Repair form or a new Contract Addendum.

Buyer Christopher Walti Date 10/4/2016 Buyer Jamie Patton Date 10/4/2016

Confirmation of Receipt of this Removal of Contingencies: Seller's Initials: LS / US Date _____

BROKERS/AGENTS CAN ADVISE ON REAL ESTATE TRANSACTIONS ONLY. FOR LEGAL OR TAX ADVICE, CONSULT A QUALIFIED ATTORNEY OR CPA.





POSSIBLE REPRESENTATION OF MORE THAN ONE BUYER OR SELLER - DISCLOSURE AND CONSENT

(C.A.R. Form PRBS, 11/14)

A real estate broker (Broker), whether a corporation, partnership or sole proprietorship, may represent more than one buyer or seller. This multiple representation can occur through an individual licensed as a broker or salesperson or through different individual broker's or salespersons (associate licensees) acting under the Broker's license. The associate licensees may be working out of the same or different office locations.

Multiple Buyers: Broker (individually or through its associate licensees) may be working with many prospective buyers at the same time. These prospective buyers may have an interest in, and make offers on, the same properties. Some of these properties may be listed with Broker and some may not. Broker will not limit or restrict any particular buyer from making an offer on any particular property whether or not Broker represents other buyers interested in the same property.

Multiple Sellers: Broker (individually or through its associate licensees) may have listings on many properties at the same time. As a result, Broker will attempt to find buyers for each of those listed properties. Some listed properties may appeal to the same prospective buyers. Some properties may attract more prospective buyers than others. Some of these prospective buyers may be represented by Broker and some may not. Broker will market all listed properties to all prospective buyers whether or not Broker has another or other listed properties that may appeal to the same prospective buyers.

Dual Agency: If Seller is represented by Broker, Seller acknowledges that broker may represent prospective buyers of Seller's property and consents to Broker acting as a dual agent for both seller and buyer in that transaction. If Buyer is represented by Broker, buyer acknowledges that Broker may represent sellers of property that Buyer is interested in acquiring and consents to Broker acting as a dual agent for both buyer and seller with regard to that property.

In the event of dual agency, seller and buyer agree that: (a) Broker, without the prior written consent of the Buyer, will not disclose to seller that the Buyer is willing to pay a price greater than the offered price; (b) Broker, without the prior written consent of the seller, will not disclose to the buyer that seller is willing to sell property at a price less than the listing price; and (c) other than as set forth in (a) and (b) above, a dual agent is obligated to disclose known facts materially affecting the value or desirability of the property to both parties.

Offers not necessarily confidential: Buyer is advised that seller or listing agent may disclose the existence, terms, or conditions of buyer's offer unless all parties and their agent have signed a written confidentiality agreement. Whether any such information is actually disclosed depends on many factors, such as current market conditions, the prevailing practice in the real estate community, the listing agent's marketing strategy and the instructions of the seller.

Buyer and seller understand that Broker may represent more than one buyer or more than one seller and even both buyer and seller on the same transaction and consents to such relationships.

Seller and/or Buyer acknowledges reading and understanding this Possible Representation of More Than One Buyer or Seller - Disclosure and Consent and agrees to the agency possibilities disclosed.

Seller			07:18 PM GMT	Luis Segura	Date	
Seller			10/06/2016	Yolanda Segura	Date	
Buyer			07:20 PM GMT	Christopher Walti	Date	10/4/2016
Buyer				Jamie Patton	Date	10/4/2016
Real Estate Broker (Firm)			05:39 PM GMT	CalBRE Lic # 01280032	Date	
By	Devi Strass			CalBRE Lic # 01521930	Date	10/4/2016
By				CalBRE Lic # 01954904	Date	10/4/2016

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PRBS 11/14 (PAGE 1 OF 1)

POSSIBLE REPRESENTATION OF MORE THAN ONE BUYER OR SELLER (PRBS PAGE 1 OF 1)



CARBON MONOXIDE DETECTOR NOTICE
(C.A.R. Form CMD, 4/12)

Property Address: 1969 San Jose Avenue, San Francisco, CA 94112

1. INSTALLATION OF CARBON MONOXIDE DETECTORS:

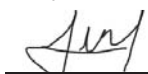


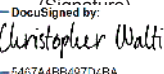
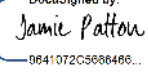

- A. Requirements:** California law (Health and Safety Code sections 13260 to 13263 and 17296 to 17296.2) requires that as of July 1, 2011, all existing single-family dwellings have carbon monoxide detectors installed and that all other types of dwelling units intended for human occupancy have carbon monoxide detectors installed on or before January 1, 2013. The January 1, 2013 requirement applies to a duplex, lodging house, dormitory, hotel, condominium, time-share and apartment, among others.
- B. Exceptions:** The law does not apply to a dwelling unit which does not have any of the following: a fossil fuel burning heater or appliance, a fireplace, or an attached garage. The law does not apply to dwelling units owned or leased by the State of California, the Regents of the University of California or local government agencies. Aside from these three owner types, there are **no other owner exemptions** from the installation requirement; it applies to all owners of dwellings, be they individual banks, corporations, or other entities. There is no exemption for REO properties.

2. DISCLOSURE OF CARBON MONOXIDE DETECTORS: The Health and Safety Code does not require a disclosure regarding the existence of carbon monoxide detectors in a dwelling. However, a seller of residential 1-4 property who is required to complete a Real Estate Transfer Disclosure Statement, (C.A.R. Form TDS) or a Manufactured Home and Mobile home Transfer Disclosure Statement (C.A.R. Form MHTDS) must use section II A of that form to disclose whether or not the dwelling unit has a carbon monoxide detector.


3. COMPLIANCE WITH INSTALLATION REQUIREMENT: State building code requires at a minimum, placement of carbon monoxide detectors in applicable properties outside of each sleeping area, and on each floor in a multi-level dwelling but additional or different requirements may apply depending on local building standards and manufacturer instructions. An owner who fails to install a carbon monoxide detector when required by law and continues to fail to install the detector after being given notice by a governmental agency could be liable for a fine of up to \$200 for each violation. A transfer of a property where a seller, as an owner, has not installed carbon monoxide detectors, when required to do so by law, will not be invalidated, but the seller/owner could be subject to damages of up to \$100, plus court costs and attorney fees. Buyer and Seller are each advised to consult with their own home inspector, contractor or building department to determine the exact location for installation of carbon monoxide detectors. Buyer is advised to consult with a professional of Buyer's choosing to determine whether the property has carbon monoxide detector(s) installed as required by law, and if not to discuss with their counsel the potential consequences.

4. LOCAL REQUIREMENTS: Some localities maintain their own retrofit or point of sale requirements which may include the requirement that a carbon monoxide detector be installed prior to a transfer of property. Therefore, it is important to check the local city or county building and safety departments regarding point of sale or retrofit requirements when transferring property.

The undersigned hereby acknowledge(s) receipt of a copy of this Carbon Monoxide Detector Notice.

Seller/Landlord	 (Signature)		10/06/2016 07:18 PM GMT	<u>Luis Segura</u> (Print Name)	Date _____
Seller/Landlord	<u>Yolanda Segura</u> (Signature)		10/06/2016 07:20 PM GMT	<u>Yolanda Segura</u> (Print Name)	Date _____
Buyer/Tenant	 DocuSigned by: 5467A4BB497D4BA...			<u>Christopher Walti</u> (Print Name)	Date 10/4/2016
Buyer/Tenant	 (Signature)		DocuSigned by: 0641072C5688466...	<u>Jamie Patton</u> (Print Name)	Date 10/4/2016

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CMD 4/12 (PAGE 1 OF 1)

CARBON MONOXIDE DETECTOR NOTICE (CMD PAGE 1 OF 1)



MARKET CONDITIONS ADVISORY
(C.A.R. Form MCA, Revised 11/11)

1. MARKET CONDITIONS: Real estate markets are cyclical and can change over time. It is impossible to predict future market conditions with accuracy. In a competitive or "hot" real estate market, there are generally more Buyers than Sellers. This will often lead to multiple buyers competing for the same property. As a result, in order to make their offers more attractive, some Buyers may offer more than originally planned or eliminate certain contingencies in their offers. In a less competitive or "cool" market there are generally more Sellers than Buyers, often causing real estate prices to level off or drop, sometimes precipitously. The sales price of homes being sold as foreclosures and short sales is difficult to anticipate and can affect the value of other homes in the area. Brokers, appraisers, Sellers and Buyers take these "distressed" property sales and listings into consideration when valuing property. In light of the real estate market's cyclical nature it is important that Buyers understand the potential for little or no appreciation in value, or an actual loss in value, of the property they purchase. This Advisory discusses some of the potential risks inherent in changing market conditions.

2. BUYER CONSIDERATIONS:

A. OFFERING PRICE: AS A BUYER, YOU ARE RESPONSIBLE FOR DETERMINING THE PRICE YOU WANT TO OFFER FOR A PROPERTY. Although Brokers may provide you with comparable sales data, generally from information published in the local multiple listing service, you should know that the reporting of this data is often delayed and prices may change, up or down, faster than reported sales indicate. All buyers should be sure they are comfortable with the price they are offering or the price they are accepting in a counter offer. You should be aware of and think about the following: **(i)** If your offer is accepted, the property's value may not increase and may even decrease. **(ii)** If your offer is accepted, you may have "Buyer's remorse" that you paid too much. **(iii)** If your offer is rejected there can be no guarantee that you will find a similar property at the same price. **(iv)** If your offer is rejected, you may not be satisfied that the amount you offered was right for you. Only you can determine that your offer was reasonable and prudent in light of the property and your circumstances.

B. NON-CONTINGENT OFFERS: Most residential purchase agreements contain contingencies allowing a Buyer within a specified period of time to cancel a purchase if: **(i)** the Buyer cannot obtain a loan; **(ii)** is dissatisfied with the property's condition after an inspection; or **(iii)** if the property does not appraise at a certain value. To make their offers more attractive, Buyers will sometimes write offers with few or no contingencies or offer to remove contingencies within a short period of time. In a "hot" market, sellers will sometimes insist that Buyers write offers with no contingencies. Broker recommends that Buyers do not write non-contingent offers and if you do so, you are acting against Broker's advice. However, if you do write a non-contingent offer these are some of the contractual rights you may be giving up:

(1) LOAN CONTINGENCY: If you give up your loan contingency, and you cannot obtain a loan, whether through your fault or the fault of your lender, and as a result, you do not or cannot purchase the property, you may legally be in default under the contract and required to pay damages or forfeit your deposit to the seller.

(2) APPRAISAL CONTINGENCY: If your lender's (or your own) appraiser does not believe the property is worth what you have agreed to pay for it, your lender may not loan the full amount needed for the purchase or may not loan any amount at all because of a low appraisal. As a result, if you do not purchase the property, and you have removed your appraisal contingency, you may legally be in default under the contract and could be required to pay damages to, or forfeit your deposit to, the Seller. The Seller is not obligated to reduce the purchase price to match the appraised value.

Buyer's Initials (CS) (JP)

Seller's Initials (LS) (US)

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MCA REVISED 11/11 (PAGE 1 OF 2)

Reviewed by _____ Date _____



MARKET CONDITIONS ADVISORY (MCA PAGE 1 OF 2)

Property Address: 1969 San Jose Avenue, San Francisco, CA 94112

Date: October 4, 2016

3. INSPECTION CONTINGENCY: If you disapprove of the condition of the property and as a result, you do not purchase the property, you may legally be in default under the contract and required to pay damages to, or forfeit your deposit to, the Seller if you have removed your inspection contingency. However, even if you make an offer without an inspection contingency or you remove that contingency, the Seller may still be obligated to disclose to you material facts about the property. In some cases, once you receive that information the law gives you an independent right to cancel for a limited period of time.

There is inherent risk in writing a non-contingent offer. Only you, after careful consultation and deliberation with your attorney, accountant, or financial advisor can decide how much risk you are willing to take. IT IS YOUR DECISION ALONE AND CANNOT BE MADE BY YOUR BROKER OR REAL ESTATE AGENT.


C. BROKER RECOMMENDATIONS. Broker recommends that you do not write a non-contingent offer, even if you are planning on paying all cash for the property. If you intend to write a non-contingent offer, Broker recommends that, prior to writing the offer, you: (i) review all available Seller reports, disclosures, information and documents; (ii) have an appropriate professional inspect the property (even if it is being sold "as is" in its present condition); and (iii) carefully assess your financial position and risk with your attorney, accountant or financial advisor.

D. MULTIPLE OFFERS: At times Buyers may write offers on more than one property even though the Buyer intends to purchase only one. This may occur in a short sale when the approval process can take a considerable amount of time. While it is not illegal to make offers on multiple properties with intent to purchase only one, the Buyer can be obligated to many Sellers if more than one accepts the Buyer's offers. If the Buyer has not disclosed that the Buyer is writing multiple offers with the intent to purchase only one and the Buyer subsequently cancels without using a contingency, the Seller may claim the Buyer is in breach of contract because the Buyer fraudulently induced the Seller to enter into a contract.


3. SELLER CONSIDERATIONS:

As a Seller, you are responsible for determining the asking price for your property. Although Brokers may provide you with comparable sales data, generally from information published in the local multiple listing service, you should know that the reporting of this data is often delayed and prices may change, up or down, faster than reported sales indicate. All Sellers should be sure they are comfortable with the asking price they are setting and the price they are accepting. There is not, and cannot be, any guarantee that the price you decide to ask for your property, or the price at which you agree to sell your property is the highest available price obtainable for the property. It is solely your decision as to how much to ask for your property and at which price to sell your property.

Buyer/Seller acknowledges each has read, understands and has received a copy of this Market Conditions Advisory.

Buyer	<small>DocuSigned by:</small> <i>Christopher Walti</i> <small>5467A4RR49774RA</small>	_____	Date	10/4/2016
Buyer	<small>DocuSigned by:</small> <i>Jamie Patton</i> <small>06410720566</small>	_____	Date	10/4/2016
Seller	<i>Jamie Patton</i> 	10/06/2016 07:18 PM GMT	Date	_____
Seller	<i>Luis Segura</i> <i>Yolanda Segura</i> Yolanda Segura	10/06/2016 07:20 PM GMT	Date	_____

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"AS-IS" ADDENDUM
SAN FRANCISCO ASSOCIATION OF REALTORS® STANDARD FORM
This form is intended for use in San Francisco

The following terms and conditions are hereby incorporated in and made a part of the San Francisco Purchase Agreement, or [] Counter Offer No. [] , or [] other [] dated 10/04/2016 for the Property known as 1969 San Jose Avenue, San Francisco, CA 94112 between Christopher Walti, Jamie Patton ("Buyer") and Luis Segura, Yolanda Segura ("Seller").

- 1. Buyer is buying the Property in its present "AS-IS" condition, unless otherwise agreed in writing:
A. This Addendum supersedes any provision in the Contract requiring Seller to repair or make operable any appliance, component or system.
B. Seller is not relieved from compliance with any statutory obligations related to the sale of the Property, including without limitation, those regarding the Transfer Disclosure Statement (TDS).
C. Seller will not investigate public records for the Property (e.g., zoning, permits or code compliance).
D. Buyer has not relied and will not rely on any oral representations or warranties from Seller or Brokers/Agents with respect to the condition of the Property. Buyer is relying upon Buyer's independent investigation of the Property.
E. Seller will not agree to any requests for credits or reductions in the Purchase Price regarding any matter that may be revealed by Buyer's independent investigation of the Property, or otherwise.
2. Buyer acknowledges Civil Code §2079.5, which provides that: "Nothing in this article relieves a buyer or prospective buyer of the duty to exercise reasonable care to protect himself or herself, including those facts which are known to or within the diligent attention and observation of the buyer or prospective buyer."
3. California law requires a seller to disclose all material facts he or she actually knows relating to the value or desirability of the Property. However, what may be perceived as "material" may vary from person to person. Therefore, in executing this Addendum, Buyer acknowledges that:
A. The Property and its components, appliances, fixtures, systems and materials have varying remaining useful lives.
B. Not all components, improvements or fixtures on the Property may comply with current code, zoning or setback requirements.
C. Square footage and lot dimensions, if given, are approximate only and should not be relied upon.
D. Lot lines cannot be reliably determined by existing fences, landscaping, retaining walls, or the like.
E. Neighborhood nuisance issues (including noise) can be subjective, depending on varying personal sensitivities.
F. Future or ongoing construction at surrounding properties can obstruct view corridors.
4. If any of the above items, or other factors affecting the Property, are important to Buyer, then Buyer is urged to conduct inspections utilizing appropriate professionals other than Brokers/Agents. No independent investigation of the above items will be conducted by Seller.
5. If provided for in the Agreement, Buyer may have all inspections that Buyer desires with respect to the Property. In removing the inspection conditions in this Addendum, it will be conclusively presumed that Buyer is fully satisfied with respect to the items which are the subject of that condition (e.g., physical condition of the Property). If Buyer does not have a particular inspection of the Property, or any portion of it, it will be conclusively presumed that Buyer has waived that inspection and waived any claims with respect to items that would have been disclosed by such an inspection, to the fullest extent allowed by law.

Buyer Christopher Walti Date 10/4/2016
Seller Luis Segura Date 10/06/2016 07:18 PM GMT

Buyer Jamie Patton Date 10/4/2016
Seller Yolanda Segura Date 10/06/2016 07:20 PM GMT

BROKERS/AGENTS CAN ADVISE ON REAL ESTATE TRANSACTIONS ONLY. FOR LEGAL OR TAX ADVICE, CONSULT A QUALIFIED ATTORNEY OR CPA.





BUYER'S INSPECTION ADVISORY

(C.A.R. Form BIA, Revised 11/14)

1. IMPORTANCE OF PROPERTY INVESTIGATION: The physical condition of the land and improvements being purchased is not guaranteed by either Seller or Brokers. You have an affirmative duty to exercise reasonable care to protect yourself, including discovery of the legal, practical and technical implications of disclosed facts, and the investigation and verification of information and facts that you know or that are within your diligent attention and observation. A general physical inspection typically does not cover all aspects of the Property nor items affecting the Property that are not physically located on the Property. If the professionals recommend further investigations, including a recommendation by a pest control operator to inspect inaccessible areas of the Property, you should contact qualified experts to conduct such additional investigations.

2. BROKER OBLIGATIONS: Brokers do not have expertise in all areas and therefore cannot advise you on many items, such as those listed below. If Broker gives you referrals to professionals, Broker does not guarantee their performance.

3. YOU ARE STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO THE FOLLOWING. IF YOU DO NOT DO SO, YOU ARE ACTING AGAINST THE ADVICE OF BROKERS.

- A. GENERAL CONDITION OF THE PROPERTY, ITS SYSTEMS AND COMPONENTS:** Foundation, roof (condition, age, leaks, useful life), plumbing, heating, air conditioning, electrical, mechanical, security, pool/spa (cracks, leaks, operation), other structural and nonstructural systems and components, fixtures, built-in appliances, any personal property included in the sale, and energy efficiency of the Property.
- B. SQUARE FOOTAGE, AGE, BOUNDARIES:** Square footage, room dimensions, lot size, age of improvements and boundaries. Any numerical statements regarding these items are APPROXIMATIONS ONLY and have not been verified by Seller and cannot be verified by Brokers. Fences, hedges, walls, retaining walls and other barriers or markers do not necessarily identify true Property boundaries.
- C. WOOD DESTROYING PESTS:** Presence of, or conditions likely to lead to the presence of wood destroying pests and organisms.
- D. SOIL STABILITY:** Existence of fill or compacted soil, expansive or contracting soil, susceptibility to slippage, settling or movement, and the adequacy of drainage.
- E. WATER AND UTILITIES; WELL SYSTEMS AND COMPONENTS; WASTE DISPOSAL:** Water and utility availability, use restrictions and costs. Water quality, adequacy, condition, and performance of well systems and components. The type, size, adequacy, capacity and condition of sewer and septic systems and components, connection to sewer, and applicable fees.
- F. ENVIRONMENTAL HAZARDS:** Potential environmental hazards, including, but not limited to, asbestos, lead-based paint and other lead contamination, radon, methane, other gases, fuel oil or chemical storage tanks, contaminated soil or water, hazardous waste, waste disposal sites, electromagnetic fields, nuclear sources, and other substances, materials, products, or conditions (including mold (airborne, toxic or otherwise), fungus or similar contaminants).
- G. EARTHQUAKES AND FLOODING:** Susceptibility of the Property to earthquake/seismic hazards and propensity of the Property to flood.
- H. FIRE, HAZARD AND OTHER INSURANCE:** The availability and cost of necessary or desired insurance may vary. The location of the Property in a seismic, flood or fire hazard zone, and other conditions, such as the age of the Property and the claims history of the Property and Buyer, may affect the availability and need for certain types of insurance. Buyer should explore insurance options early as this information may affect other decisions, including the removal of loan and inspection contingencies.
- I. BUILDING PERMITS, ZONING AND GOVERNMENTAL REQUIREMENTS:** Permits, inspections, certificates, zoning, other governmental limitations, restrictions, and requirements affecting the current or future use of the Property, its development or size.
- J. RENTAL PROPERTY RESTRICTIONS:** Some cities and counties impose restrictions that limit the amount of rent that can be charged, the maximum number of occupants, and the right of a landlord to terminate a tenancy. Deadbolt or other locks and security systems for doors and windows, including window bars, should be examined to determine whether they satisfy legal requirements.
- K. SECURITY AND SAFETY:** State and local Law may require the installation of barriers, access alarms, self-latching mechanisms and/or other measures to decrease the risk to children and other persons of existing swimming pools and hot tubs, as well as various fire safety and other measures concerning other features of the Property.
- L. NEIGHBORHOOD, AREA, SUBDIVISION CONDITIONS; PERSONAL FACTORS:** Neighborhood or area conditions, including schools, law enforcement, crime statistics, registered felons or offenders, fire protection, other government services, availability, adequacy and cost of internet connections or other technology services and installations, commercial, industrial or agricultural activities, existing and proposed transportation, construction and development that may affect noise, view, or traffic, airport noise, noise or odor from any source, wild and domestic animals, other nuisances, hazards, or circumstances, protected species, wetland properties, botanical diseases, historic or other governmentally protected sites or improvements, cemeteries, facilities and condition of common areas of common interest subdivisions, and possible lack of compliance with any governing documents or Homeowners' Association requirements, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of Buyer.

By signing below, Buyers acknowledge that they have read, understand, accept and have received a Copy of this Advisory.

Buyer Christopher Walki 10/4/2016
DocuSigned by: Christopher Walki
5467A4DD497D4BA...

Buyer Jamie Patton 10/4/2016
DocuSigned by: Jamie Patton
9641072C5368466...

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BIA REVISED 11/14 (PAGE 1 OF 1)

BUYER'S INSPECTION ADVISORY (BIA PAGE 1 OF 1)



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Baxter Smith Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 www.ziplogix.com



WIRE FRAUD ADVISORY
(C.A.R. Form WFA, 6/16)

Property Address: 1969 San Jose Avenue, San Francisco, CA 94112 ("Property").

WIRE FRAUD ADVISORY:

The ability to communicate and conduct business electronically is a convenience and reality in nearly all parts of our lives. At the same time, it has provided hackers and scammers new opportunities for their criminal activity. Many businesses have been victimized and the real estate business is no exception.

While wiring funds is a welcome convenience, buyers and sellers need to exercise extreme caution. Emails attempting to induce fraudulent wire transfers have been received and have appeared to be legitimate. Reports indicate that some hackers have been able to intercept emailed wire transfer instructions, obtain account information and, by altering some of the data, redirect the funds to a different account. It also appears that some hackers were able to provide false phone numbers for verifying the wiring instructions. In those cases, the buyers called the number provided, to confirm the instructions, and then unwittingly authorized a transfer to somewhere other than escrow. Sellers have also had their sales proceeds taken through similar schemes.

ACCORDINGLY, BUYERS AND SELLERS ARE ADVISED:

1. Obtain the phone number of the Escrow Officer at the beginning of the transaction.
2. DO NOT EVER WIRE FUNDS PRIOR TO CALLING YOUR ESCROW OFFICER TO CONFIRM WIRE INSTRUCTIONS. ONLY USE A PHONE NUMBER YOU WERE PROVIDED PREVIOUSLY. Do not use any different phone number included in the emailed wire transfer instructions.
3. Orally confirm the wire transfer instruction is legitimate and confirm the bank routing number, account numbers and other codes before taking steps to transfer the funds.
4. Avoid sending personal information in emails or texts. Provide such information in person or over the telephone directly to the Escrow Officer.
5. Take steps to secure the system you are using with your email account. These steps include creating strong passwords, using secure WiFi, and not using free services.

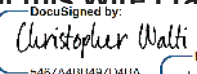
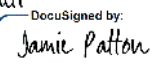



If you believe you have received questionable or suspicious wire instructions, immediately notify your bank, the Escrow Holder and your real estate agent. The sources below, as well as others, can also provide information:

Federal Bureau of Investigation: <https://www.fbi.gov/>

National White Collar Crime Center: <http://www.nw3c.org/>

On Guard Online: <https://www.onguardonline.gov/>

By signing below, the undersigned acknowledge that each has read, understands and has received a copy of this Wire Fraud Advisory.

Buyer	 <small>DocuSigned by: #457A4B1149/13417A</small>	<u>Christopher Walti</u>	Date	<u>10/4/2016</u>
Buyer	 <small>DocuSigned by: 9641072C5668468...</small>	<u>Jamie Patton</u>	Date	<u>10/4/2016</u>
Seller		<u>Luis Segura</u>	Date	<u>10/06/2016 07:18 PM GMT</u>
Seller	 	<u>Yolanda Segura</u>	Date	<u>10/06/2016 07:20 PM GMT</u>

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WFA 6/16 (PAGE 1 OF 1)

Reviewed by _____



WIRE FRAUD ADVISORY (WFA PAGE 1 OF 1)

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7 Attorneys for Luis and Yolanda Segura,
Debtors and Debtors-in-Possession

8
9 UNITED STATES BANKRUPTCY COURT
10 NORTHERN DISTRICT OF CALIFORNIA – SAN FRANCISCO DIVISION
11

12
13 In re:

14
15 LUIS A. SEGURA AND YOLANDA
SEGURA,
16 Debtors and Debtors-in-Possession.
17

Case No. **15-31330-DM**

Chapter 11

**DECLARATION OF DEVI STRASS IN
SUPPORT OF DEBTORS-IN-
POSSESSION'S MOTION FOR
ORDER AUTHORIZING SALE OF
REAL PROPERTY LOCATED AT
1969 SAN JOSE AVENUE, SAN
FRANCISCO, CA 94112 AND
APPROVING OVERBIDDING
PROCEDURES**

Hearing on Motion

Date: [To Be Determined]

Time: [To Be Determined]

Courtroom: 17

United States Bankruptcy Court
450 Golden Gate Ave., 16th Floor
San Francisco, CA 94102

DECLARATION OF DEVI STRASS

1
2 I, Devi Strass, declare under penalty of perjury that the following is true and correct to
3 the best of my knowledge and understanding:

- 4 1. I have personal knowledge of the facts set forth herein. If called upon to testify
5 to the statements in this Declaration, I could and would competently do so under
6 oath.
- 7 2. I am a resident of the State of California. I am over 18 years old and am
8 competent to make this Declaration.
- 9 3. I am a real estate broker licensed by the California Bureau of Real Estate, license
10 number BRE 01280032. I have been licensed since 2000. My business address
11 is P.O. Box 31, Burlingame, California, 94011.
- 12 4. I have knowledge and expertise regarding the San Francisco residential real
13 estate market. Specifically, I have marketed and have sold properties in the
14 vicinity of, and similar to 1969 San Jose Avenue, San Francisco, California
15 94112 (the "Subject Property").
- 16 5. I have been actively marketing the Subject Property for Debtors in Possession
17 Luis A. Segura and Yolanda Segura (the "Debtors") since my employment was
18 approved by the Court on May 3, 2016. The Subject Property has been listed on
19 the open market since then, and I have held open houses for the Subject Property
20 on several occasions.
- 21 6. Since the Subject Property has been listed, I have received several offers on the
22 Subject Property which were subsequently rescinded. As a result, the Debtors
23 authorized me to reduce the sale price for the Property.
- 24 7. After marketing the Property further, on or around October 4, 2016, the Debtors
25 received an offer in the amount of \$760,000.00 from proposed purchasers
26 Christopher Walti and Jamie Patton (the "Purchasers"). A true and correct copy
27
28

1 of the executed San Francisco Purchase Agreement is attached hereto as **Exhibit**
2 **1.**

3 8. The Purchasers have been informed and understand that the sale of the Property
4 is on an “as-is” basis and is subject to overbid procedures and Court approval.

5 9. Because the purchase price of \$760,000.00 has been the best, non-rescinded
6 offer to date on the Property after active marketing, I believe the purchase price
7 represents the fair market value of the Subject Property.

8 I declare under penalty of perjury under the laws of the United States of America that the
9 foregoing is true and correct to the best of my knowledge and understanding.

10
11 Executed on October 12, 2016 at Burlingame, California.

12
13 _____
14 Devi Strass
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EXHIBIT 1



DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP

(Selling Firm to Buyer)
(As required by the Civil Code)
(C.A.R. Form AD, Revised 12/14)

(If checked) This form is being provided in connection with a transaction for a leasehold interest exceeding one year as per Civil Code section 2079.13(k) and (m).

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction.

SELLER'S AGENT

A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or a subagent of that agent has the following affirmative obligations:

To the Seller: A Fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Seller.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties. An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

BUYER'S AGENT

A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations:

To the Buyer: A fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Buyer.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

AGENT REPRESENTING BOTH SELLER AND BUYER

A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer.

In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:

- (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer.
- (b) Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, the agent may not, without the express permission of the respective party, disclose to the other party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered.

The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction. **This disclosure form includes the provisions of Sections 2079.13 to 2079.24, inclusive, of the Civil Code set forth on page 2. Read it carefully. I/WE ACKNOWLEDGE THIS DISCLOSURE AND THE PORTIONS OF THE CIVIL CODE**

PRINTED ON THE BACK (OR A SEPARATE PAGE) OF THIS DISCLOSURE AND THE PORTIONS OF THE CIVIL CODE

DocuSigned by: Christopher Walti Date 10/4/2016
 5487A4BB497D
 Christopher Walti

DocuSigned by: Jamie Patton Date 10/4/2016
 9641072C5666466...

Agent Redfin BRE Lic. # 01521930
 Real Estate Broker (Firm)

By Baxter Smith BRE Lic. # 01954904 Date 10/4/2016
 86D39F80C72F4B9... Salesperson or Broker-Associate Baxter Smith

Agency Disclosure Compliance (Civil Code §2079.14):

- When the listing brokerage company also represents Buyer/Tenant: The Listing Agent shall have one AD form signed by Seller/Landlord and a different AD form signed by Buyer/Tenant.
- When Seller/Landlord and Buyer/Tenant are represented by different brokerage companies: (i) the Listing Agent shall have one AD form signed by Seller/Landlord and (ii) the Buyer/Tenant's Agent shall have one AD form signed by Buyer/Tenant and either that same or a different AD form presented to Seller/Landlord signature prior to presentation of the offer. If the same form is used, Seller must sign here

Seller/Landlord Luis Segura Date 10/4/2016 07:18 PM GMT
 Seller/Landlord Yolanda Segura Date 10/4/2016 07:20 PM GMT

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Reviewed by _____ Date _____



AD REVISED 12/14 (PAGE 1 OF 2) DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP (AD PAGE 1 OF 2)

CIVIL CODE SECTIONS 2079.24 (2079.16 APPEARS ON THE FRONT)

2079.13 As used in Sections 2079.14 to 2079.24, inclusive, the following terms have the following meanings: (a) "Agent" means a person acting under provisions of Title 9 (commencing with Section 2295) in a real property transaction, and includes a person who is licensed as a real estate broker under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code, and under whose license a listing is executed or an offer to purchase is obtained. (b) "Associate licensee" means a person who is licensed as a real estate broker or salesperson under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code and who is either licensed under a broker or has entered into a written contract with a broker to act as the broker's agent in connection with acts requiring a real estate license and to function under the broker's supervision in the capacity of an associate licensee. The agent in the real property transaction bears responsibility for his or her associate licensees who perform as agents of the agent. When an associate licensee owes a duty to any principal, or to any buyer or seller who is not a principal, in a real property transaction, that duty is equivalent to the duty owed to that party by the broker for whom the associate licensee functions. (c) "Buyer" means a transferee in a real property transaction, and includes a person who executes an offer to purchase real property from a seller through an agent, or who seeks the services of an agent in more than a casual, transitory, or preliminary manner, with the object of entering into a real property transaction. "Buyer" includes vendee or lessee. (d) "Commercial real property" means all real property in the state, except single-family residential real property, dwelling units made subject to Chapter 2 (commencing with Section 1940) of Title 5, mobilehomes, as defined in Section 798.3, or recreational vehicles, as defined in Section 799.29. (e) "Dual agent" means an agent acting, either directly or through an associate licensee, as agent for both the seller and the buyer in a real property transaction. (f) "Listing agreement" means a contract between an owner of real property and an agent, by which the agent has been authorized to sell the real property or to find or obtain a buyer. (g) "Listing agent" means a person who has obtained a listing of real property to act as an agent for compensation. (h) "Listing price" is the amount expressed in dollars specified in the listing for which the seller is willing to sell the real property through the listing agent. (i) "Offering price" is the amount expressed in dollars specified in an offer to purchase for which the buyer is willing to buy the real property. (j) "Offer to purchase" means a written contract executed by a buyer acting through a selling agent that becomes the contract for the sale of the real property upon acceptance by the seller. (k) "Real property" means any estate specified by subdivision (1) or (2) of Section 761 in property that constitutes or is improved with one to four dwelling units, any commercial real property, any leasehold in these types of property exceeding one year's duration, and mobilehomes, when offered for sale or sold through an agent pursuant to the authority contained in Section 10131.6 of the Business and Professions Code. (l) "Real property transaction" means a transaction for the sale of real property in which an agent is employed by one or more of the principals to act in that transaction, and includes a listing or an offer to purchase. (m) "Sell," "sale," or "sold" refers to a transaction for the transfer of real property from the seller to the buyer, and includes exchanges of real property between the seller and buyer, transactions for the creation of a real property sales contract within the meaning of Section 2985, and transactions for the creation of a leasehold exceeding one year's duration. (n) "Seller" means the transferor in a real property transaction, and includes an owner who lists real property with an agent, whether or not a transfer results, or who receives an offer to purchase real property of which he or she is the owner from an agent on behalf of another. "Seller" includes both a vendor and a lessor. (o) "Selling agent" means a listing agent who acts alone, or an agent who acts in cooperation with a listing agent, and who sells or finds and obtains a buyer for the real property, or an agent who locates property for a buyer or who finds a buyer for a property for which no listing exists and presents an offer to purchase to the seller. (p) "Subagent" means a person to whom an agent delegates agency powers as provided in Article 5 (commencing with Section 2349) of Chapter 1 of Title 9. However, "subagent" does not include an associate licensee who is acting under the supervision of an agent in a real property transaction.

2079.14 Listing agents and selling agents shall provide the seller and buyer in a real property transaction with a copy of the disclosure form specified in Section 2079.16, and, except as provided in subdivision (c), shall obtain a signed acknowledgement of receipt from that seller or buyer, except as provided in this section or Section 2079.15, as follows: (a) The listing agent, if any, shall provide the disclosure form to the seller prior to entering into the listing agreement. (b) The selling agent shall provide the disclosure form to the seller as soon as practicable prior to presenting the seller with an offer to purchase, unless the selling agent previously provided the seller with a copy of the disclosure form pursuant to subdivision (a). (c) Where the selling agent does not deal on a face-to-face basis with the seller, the disclosure form prepared by the selling agent may be furnished to the seller (and acknowledgement of receipt obtained from the selling agent from the seller) by the listing agent, or the selling agent may deliver the disclosure form by certified mail addressed to the seller at his or her last known address, in which case no signed acknowledgement of receipt is required. (d) The selling agent shall provide the disclosure form to the buyer as soon as practicable prior to execution of the buyer's offer to purchase, except that if the offer to purchase is not prepared by the selling agent, the selling agent shall present the disclosure form to the buyer not later than the next business day after the selling agent receives the offer to purchase from the buyer.

2079.15 In any circumstance in which the seller or buyer refuses to sign an acknowledgement of receipt pursuant to Section 2079.14, the agent, or an associate licensee acting for an agent, shall set forth, sign, and date a written declaration of the facts of the refusal.

2079.16 Reproduced on Page 1 of this AD form.

2079.17 (a) As soon as practicable, the selling agent shall disclose to the buyer and seller whether the selling agent is acting in the real property transaction exclusively as the buyer's agent, exclusively as the seller's agent, or as a dual agent representing both the buyer and the seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller, the buyer, and the selling agent prior to or coincident with execution of that contract by the buyer and the seller, respectively. (b) As soon as practicable, the listing agent shall disclose to the seller whether the listing agent is acting in the real property transaction exclusively as the seller's agent, or as a dual agent representing both the buyer and seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller and the listing agent prior to or coincident with the execution of that contract by the seller.

(c) The confirmation required by subdivisions (a) and (b) shall be in the following form.

(DO NOT COMPLETE. SAMPLE ONLY) is the agent of (check one): the seller exclusively; or both the buyer and seller.
(Name of Listing Agent)

(DO NOT COMPLETE. SAMPLE ONLY) is the agent of (check one): the buyer exclusively; or the seller exclusively; or
(Name of Selling Agent if not the same as the Listing Agent) both the buyer and seller.

(d) The disclosures and confirmation required by this section shall be in addition to the disclosure required by Section 2079.14.

2079.18 No selling agent in a real property transaction may act as an agent for the buyer only, when the selling agent is also acting as the listing agent in the transaction.

2079.19 The payment of compensation or the obligation to pay compensation to an agent by the seller or buyer is not necessarily determinative of a particular agency relationship between an agent and the seller or buyer. A listing agent and a selling agent may agree to share any compensation or commission paid, or any right to any compensation or commission for which an obligation arises as the result of a real estate transaction, and the terms of any such agreement shall not necessarily be determinative of a particular relationship.

2079.20 Nothing in this article prevents an agent from selecting, as a condition of the agent's employment, a specific form of agency relationship not specifically prohibited by this article if the requirements of Section 2079.14 and Section 2079.17 are complied with.

2079.21 A dual agent shall not disclose to the buyer that the seller is willing to sell the property at a price less than the listing price, without the express written consent of the seller. A dual agent shall not disclose to the seller that the buyer is willing to pay a price greater than the offering price, without the express written consent of the buyer. This section does not alter in any way the duty or responsibility of a dual agent to any principal with respect to confidential information other than price.

2079.22 Nothing in this article precludes a listing agent from also being a selling agent, and the combination of these functions in one agent does not, of itself, make that agent a dual agent.

2079.23 A contract between the principal and agent may be modified or altered to change the agency relationship at any time before the performance of the act which is the object of the agency with the written consent of the parties to the agency relationship.

2079.24 Nothing in this article shall be construed to either diminish the duty of disclosure owed buyers and sellers by agents and their associate licensees, subagents, and employees or to relieve agents and their associate licensees, subagents, and employees from liability for their conduct in connection with acts governed by this article or for any breach of a fiduciary duty or a duty of disclosure.

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AD REVISED 12/14 (PAGE 2 OF 2)

DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP (AD PAGE 2 OF 2)

Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 www.zipLogix.com 1969 San Jose

Reviewed by _____ Date _____





SAN FRANCISCO ASSOCIATION of REALTORS®

SAN FRANCISCO PURCHASE AGREEMENT

SAN FRANCISCO ASSOCIATION OF REALTORS® STANDARD FORM
This is intended to be a legally binding contract for the purchase of real property in San Francisco

October 4, 2016 (Date Prepared)

Christopher Walti, Jamie Patton ("Buyer")

offers to purchase the real property known as 1969 San Jose Avenue, San Francisco, CA 94112
or (if checked) this is a purchase of a _____% undivided interest in the entire Tenants-in-Common (TIC) property above pursuant to the attached TIC Purchase Addendum (the "Property") for the Purchase Price of Seven Hundred Sixty Thousand Dollars (\$760,000.00) and upon the following TERMS and CONDITIONS.

1. FINANCIAL TERMS:

- A. \$ 22,800.00 **INITIAL DEPOSIT** by electronic funds transfer or _____ check payable to Escrow Holder or to _____ ("Payee"), which Buyer or Buyer's Broker/Agent shall deposit with Payee within 2 or _____ business days of Acceptance of this Contract.
- B. \$ _____ **ADDITIONAL DEPOSIT** to be deposited with Escrow Holder within _____ days after Acceptance or on or before _____.
- C. \$ _____ **NEW FIRST LOAN:** This Contract is contingent upon Buyer obtaining a new conventional or FHA VA other _____ first loan for a term of 30 or _____ years at an initial annual rate of interest not to exceed _____% for a loan which is fixed for the entire term or fixed for an initial period of _____ year(s) or _____ month(s) and thereafter adjustable according to the lender's predetermined schedule, secured by a first deed of trust on the Property, with a loan fee of zero or not more than _____ points and on other terms and conditions satisfactory to Buyer. For an FHA/VA loan, an Amendatory Clause Addendum is attached.
- D. \$ _____ **OTHER FINANCING:** This Contract is contingent upon Buyer obtaining a new second loan or other additional financing on the following terms: _____
 Assumed Financing Addendum and/or Seller Financing Addendum are attached if checked.
- E. \$ 576,000.00 **NON-CONTINGENT FINANCING:** Buyer intends to obtain new financing in the amount specified. Buyer acknowledges that the full amount may not be obtainable and that the terms and availability of loans are subject to change. **Buyer acknowledges that obtaining financing is not a contingency of this Contract.**
- F. \$ 161,200.00 **CASH BALANCE** which shall be deposited by Buyer with Escrow Holder prior to Close of Escrow ("COE").
- G. \$ 760,000.00 **PURCHASE PRICE, EXCLUDING CLOSING COSTS** (Total of A through F).

2. **ESCROW:** Escrow shall close on _____ (date) or (if checked) 30 days after Acceptance. If COE falls on a weekend or legal holiday, it shall be extended to the next business day. This Contract, including any addenda and counter offers, shall constitute escrow instructions of Buyer and Seller (the "Parties"). The Parties shall execute additional instructions consistent with this Contract and deliver them to Current Escrow ("Escrow Holder").

3. **FINANCING PROVISIONS:** Buyer affirms that only the loan(s) specified in Paragraph 1 are needed to complete this purchase and shall act diligently and in good faith to obtain them. If Buyer does not remove this financing contingency within 21 or _____ days after Acceptance, either Party may terminate this Contract. Brokers/Agents urge Buyer to personally confirm loan(s) will fund before removing the financing contingency. Buyer further represents that the funds required for the Deposits, Cash Balance and Closing Costs are available at Buyer's disposal, and that obtaining these funds is not a contingency of this Contract. Any credits to Buyer from any source shall be disclosed to Buyer's lenders. If the total credits exceed the lenders' limits then they shall be reduced accordingly with no adjustment in Purchase Price to make up the difference. Seller agrees to provide prompt access to the Property for appraisal purposes, but has no obligation to cooperate with Buyer's efforts to obtain any financing other than as specified herein.

4. **APPRAISAL:** This Contract is (if checked) subject to written appraisal at no less than the Purchase Price or \$ _____.
If Buyer does not remove this contingency within 15 or _____ days after Acceptance, either Party may terminate this Contract.

5. **AGENCY RELATIONSHIPS CONFIRMATION:** The following agency relationships are hereby confirmed for this transaction:
Listing Agent (Strass, Devi) Selling Agent (Redfin)
is the agent of (check one) (if not the same as Listing Agent) is the agent of (check one)
 the Seller exclusively; or the Buyer exclusively; or
 both the Buyer and Seller. the Seller exclusively; or
 both the Buyer and Seller.

DUAL AGENCY: The Parties understand that if the same Brokerage company is designated as the Listing Agent and the Selling Agent, then that Brokerage is representing both Parties as a Dual Agent, to which the Parties consent.

6. **PHYSICAL POSSESSION:** Physical possession of the Property shall be delivered to Buyer upon recordation of the deed or (if checked) by 10 a.m. or _____ (time) on _____ (date). (If checked) An Addendum setting forth terms upon which Seller may continue to use the Property after COE is attached to and made a part of this Contract.

7. **OCCUPANCY:** Buyer intends (or does not intend) to occupy the Property as Buyer's residence.

Buyer's Initials

CS JP

Seller's Initials

LS US



Property: 1969 San Jose Avenue, San Francisco Date: October 4, 2016

8. **TITLE REVIEW:** Within **3 days** after Acceptance, Buyer, at Buyer's expense, shall order a Preliminary Report ("Prelim") from Escrow Holder. A Prelim is only an offer to issue a policy of title insurance and may not contain every item affecting title. Buyer shall take title to the Property subject to all encumbrances, easements, rights, covenants, conditions, restrictions and other matters, whether of record or not, as of the day of Acceptance except: (1) monetary liens which, unless otherwise agreed in writing, Seller will pay off from Seller's proceeds at COE; and (2) any matters which Seller has agreed in writing to remove prior to COE. Within **3 days** after Acceptance, Seller shall disclose to Buyer all matters known to Seller affecting title, whether those matters are of record or not. Buyer's review and approval of the Prelim, and of all matters affecting title, is a contingency of this Contract. If Buyer does not remove this contingency within **5 or ___ days** after receipt of the Prelim, either Party may terminate this Contract. At COE Buyer shall receive a grant deed conveying title including any associated rights owned by Seller. (If the Property is a cooperative apartment Buyer shall receive a pledge or assignment of the stock and an assignment of the leasehold interest.) Title shall vest as specified by Buyer. **The manner of taking title may have significant legal and tax consequences. Buyer should consult with their legal and tax advisors.** Buyer should direct all questions regarding title insurance coverage, its cost, and the availability of enhanced coverages, such as those offered by an ALTA policy, to the Escrow Holder or Title Company.

9. **ITEMS INCLUDED IN THE SALE:** To the extent owned by Seller, unless excluded in Paragraph 10 below, all existing fixtures and fittings attached to the Property and major appliances for which custom openings or encasements have been made are included, free of liens, in the Purchase Price, **including** electrical, lighting, plumbing and heating fixtures, hardware, solar systems, screens, awnings, shutters, window coverings, attached floor coverings, television antennas/satellite dishes and related equipment, water softening systems, air coolers or conditioners, pool and spa equipment, mailbox, garage door openers and transmitters, trees, shrubs and outdoor plants planted in the ground, private telephone systems, security systems and home automation systems, together with any dedicated hardware and/or applicable software and passwords needed to operate them.

A. PERSONAL PROPERTY ITEMS INCLUDED: Items listed in the MLS, disclosures or marketing materials, are not included in the sale unless specified in this Contract. The personal property checked below, on the Property at Acceptance, is **included** in the sale, free of liens, but with no warranty of condition:

<input checked="" type="checkbox"/> All refrigerators	<input checked="" type="checkbox"/> Washers and dryers	<input type="checkbox"/> Microwave	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/> All ranges/stoves	<input type="checkbox"/> Wine cooler	<input type="checkbox"/> Freezer	<input type="checkbox"/>	<input type="checkbox"/> See Additional Terms

B. LEASED OR LIENED ITEMS: If any included items are leased or liened, Seller shall identify them within **3 days** of Acceptance and deliver to Buyer all leases, contracts, terms of use, and warranties, which shall be subject to Buyer's reasonable approval. If Buyer does not remove this contingency within **12 or ___ days** after receipt of documents, either party may terminate this Contract.

10. **ITEMS EXCLUDED FROM THE SALE:** All items owned by the staging company, which may include window coverings & mirrors; furniture attached only for earthquake safety; externally mounted audio-visual equipment (e.g. flat panel screens) and brackets (when removed, holes shall be repaired but not painted); **and these additional exclusions:** _____

11. **PRORATIONS AND EXPENSES:** The following shall be paid current and then prorated between Buyer and Seller as of COE: real property taxes (based upon the latest information available regarding the assessed value of the Property and the applicable tax rate); bonds and assessments; Homeowners' Association ("HOA") dues and assessments; interest on any loan(s) secured by the Property assumed by Buyer; premiums for any insurance on the Property assumed by Buyer; rents; and operating expenses. Buyer shall pay the escrow fee, title insurance premiums, any community enhancement fee, and any HOA transfer, certification and move-in fees. Seller shall pay the City and County transfer tax, any HOA move-out fee, and any prepayment penalty or other fees or charges imposed by lenders for loans being paid off through escrow. Unless specified in this Contract, all other prorations and expenses shall be paid by either Buyer or Seller in accordance with local custom. Buyer and Seller understand that the Property will be reassessed upon change of ownership. Supplemental tax bills will be sent to Buyer which will reflect a change in property taxes based on the Purchase Price becoming the new assessed value. Any tax bills issued after COE, for periods of time before COE, shall be paid by Seller.

12. **BUYER'S DUE DILIGENCE: Brokers/Agents strongly recommend that Buyer obtain the inspection reports provided by Paragraph A and any further inspections recommended in those reports.**

A. PROPERTY INSPECTIONS: Buyer's obligations under this Contract are contingent upon Buyer's written approval, at Buyer's sole discretion, of the physical condition of the Property, including parking and storage availability, neighborhood issues, and any other matter reasonably affecting the Property. Within the time specified below, Buyer shall have the right to conduct inspections of the Property by contractors, engineers, architects, and/or other experts retained by Buyer, which inspections may include, but are not limited to, a general property inspection, a structural pest control inspection, the foundation, framing, roof, plumbing, sewer lines, heating, air conditioning, electrical and mechanical systems, built-in appliances, retaining walls, geologic conditions, pool/spa and related equipment, environmental hazards (such as asbestos, mold, electromagnetic fields, radon gas, lead-based paint or lead hazards, fuel or chemical storage tanks, and other materials or products), noise transmission, water/utility use restrictions, and location of property lines. **Brokers/Agents do not certify or verify lot size, boundary lines or interior square footage, information contained in inspection reports, advertising, or representations of others.** Seller shall permit the inspections upon receiving reasonable advance notice from Buyer. Buyer shall provide Seller with copies of all written reports received. During the due diligence period, Buyer may request that Seller make repairs or credit Buyer for the estimated costs of identified repair work, but Seller shall not be obligated to agree to any such request. **If Buyer does not remove this contingency within 15 or ___ days after Acceptance, either Party may terminate this Contract.**

Buyer's Initials

Seller's Initials

Property: 1969 San Jose Avenue, San Francisco Date: October 4, 2016

B. WAIVER OF PROPERTY INSPECTIONS: If initialed below, Buyer waives the contingency established in Paragraph 12A above. Buyer is aware that all real property and improvements contain defects and conditions which are not readily apparent and which may affect the value and/or desirability of the Property. Buyer and Seller acknowledge that Broker/Agents do not guarantee and in no way assume responsibility for the condition of the Property. Buyer also is aware of Buyer's own affirmative duty to exercise due diligence in observing the condition of and inspecting the Property to protect Buyer's interests. **Buyer understands, acknowledges and agrees that any reports Buyer may have received from any source do not constitute representations or warranties by either Seller or Brokers/Agents as to the past, present or future condition, use or development potential of the Property. Brokers/Agents strongly recommend that Buyer retain Buyer's own contractors and other appropriate experts to investigate the condition and suitability of all aspects of the Property including, but not limited to, all matters affecting its use, value and desirability for the purposes intended by Buyer. If Buyer waives any or all rights to perform the inspections as specified in Paragraph 12A above, then Buyer is proceeding against the advice of Brokers/Agents, and Buyer agrees to release Seller and Brokers/Agents from all claims, demands, and liabilities which in any way relate to or arise from any issue which might have been disclosed, detected and/or evaluated by such inspections.**

Buyer's Initials CS / _____ Buyer hereby waives the inspection contingency established by Paragraph 12A above.

13. CONDOMINIUM / COOPERATIVE APARTMENT DISCLOSURE: If the Property is a condominium or cooperative apartment, this Contract is contingent upon Buyer's review and approval of the documents described below. Within **10 or _____ days** after Acceptance, Seller, at Seller's expense, shall furnish Buyer with copies of the Property's legal description (including parking and storage spaces, if any), covenants, conditions and restrictions, articles of incorporation, bylaws, rules and regulations currently in force, the most recent financial statements of the HOA, a current operating budget, 1 year's minutes of HOA meetings, a Condominium Financial Disclosure Statement prepared by the HOA or its management company, and any other documents required by law. Seller shall also advise Buyer within this time of any delinquent or special but uncollected assessments, any anticipated extraordinary maintenance or repair expenses and any pending or anticipated litigation affecting the Property. **Seller shall promptly notify Buyer of any new or revised HOA documents received by Seller prior to COE.** If Buyer does not deliver written approval to Seller of the initial or any new or revised documents, within **5 or _____ days** after Buyer's receipt, either Party may terminate this Contract. Approval of the documents shall be at Buyer's reasonable discretion. Buyer is hereby advised that any structural pest control or other inspections of common areas maybe subject to the approval of, and limited in scope by, the HOA. If the Property is new construction or newly converted to condominiums, and this is the first sale of this unit, Buyer shall pay a pro-rata share of any new insurance policy placed on the entire building; otherwise Seller will not receive any credit for insurance, other than through a proration of the established periodic HOA fee for this unit as of COE.

(If checked) The attached Cooperative Apartment Purchase Addendum is made a part of this Contract and the time frames specified in this Paragraph shall apply to that Addendum.

14. RENTAL PROPERTY: Buyer purchases the Property subject to existing leases and the rights of parties in possession. If it is intended that one or more tenant-occupied units be delivered vacant, the Parties should consult with a qualified San Francisco landlord-tenant attorney. Prior to COE, Seller agrees that no new (or changes to those existing) leases or rental agreements shall be entered into without Buyer's prior written consent, which consent shall not be unreasonably withheld. Within **3 days** after Acceptance, Seller shall deliver all tenants written Rental Information Questionnaires, requesting from each tenant acknowledgment of the terms and conditions of the tenant's rental. Protected Tenant Status Information forms shall also be delivered by Seller to all eligible tenants. Within **7 or _____ days** after Acceptance, Seller shall deliver to Buyer copies of all leases, rental agreements, applications and §6.14 notices as well as copies of all outstanding notices sent to tenants and Seller shall complete a Rental Property Statement which shall include: (1) any and all oral agreements with tenants; (2) uncured defaults by Seller or tenants; (3) claims made by Seller against tenants or by tenants against Seller in any court of law or to the San Francisco Rent Board or other government agencies, whether pending, threatened or resolved; (4) all tenants' deposits held by Seller, including any claimed offsets against those deposits; (5) any pass-throughs which constitute part of the existing rent, including the nature of the pass-through, the amount, and the period of time for which it is in effect; (6) which units include parking or storage spaces as part of the rent, whether any parking or storage spaces are rented to non-tenants, the amount received for each space, and the terms of any rental agreement or lease for the space; (7) each unit's rental status, with a disclosure and information on any buyouts if vacant or, from the start of the current tenant's occupancy, notices of rent increases, reductions, and/or changes to the terms of the tenancy; (8) any Default or Termination Notices served on tenants and, if the notices have been filed with the San Francisco Rent Board, proof of such filing; and (9) any requests from tenants for repairs, defective conditions, concessions or rent reductions, new services, or substitution of roommates. No later than **10 or _____ days** after Acceptance, Seller shall deliver to Buyer all completed Rental Information Questionnaires and Protected Tenant Status Information forms returned by tenants to Seller. If any forms are returned after that day, Seller agrees to provide them to Buyer within **2 days** of Seller's receipt. If Buyer does not deliver to Seller, within **7 or _____ days** after receipt of the documents, notice approving them, either Party may terminate this Contract. Approval of the documents shall be at Buyer's sole discretion. Seller shall deliver to Escrow Holder prior to COE: (1) any and all tenants' deposits, including security deposits, last month's rents, cleaning, key or other deposits, and any required interest accrued thereon through COE, which deposits and interest shall be disbursed to Buyer at COE; and (2) copies of any notice(s) of the transfer of deposits given by Seller to tenants.

Buyer's Initials

Seller's Initials

CS / JP

LS / US (Contract)

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15. **RENTAL PERSONAL PROPERTY:** (If checked) All personal property on the Property at Acceptance owned by Seller and used in operation of the Property is included. Seller shall provide, within **7 or** ___ days after Acceptance, an inventory of the personal property.

16. **INCOME AND EXPENSE STATEMENT:** (If checked) Within **7 or** ___ days after Acceptance, Seller shall deliver to Buyer a true and complete statement of the income and expenses of the Property for calendar years _____ and the current year to date. If Buyer does not deliver to Seller, within **7 or** ___ days after receipt of the statement, notice approving it, either Party may terminate this Contract. Approval of the statement shall be at Buyer's sole discretion.

17. **INTENT TO EXCHANGE PROPERTY:** Buyer and/or Seller intends to include this Property in an IRC §1031 exchange, subject to the terms of the attached Addendum. Any exchange is **not** a contingency of this Contract unless specified as such in the Addendum or elsewhere. The other Party consents to an exchange on the condition that they incur no additional expense or liability.

18. **SALE OF BUYER'S PROPERTY:** This Contract is contingent upon the sale of another property owned by Buyer, as stated in the attached Addendum.

19. **SELLER'S MANDATED AND CONTRACTUAL DISCLOSURES:** The following disclosures shall be delivered to Buyer **within 3 days** of Acceptance. This Contract is contingent upon Buyer's review and approval of these disclosures. If Buyer does not deliver approval to Seller of these disclosures, or any amendment, within **5 or 2 days** after Buyer's receipt, either Party may terminate this Contract. Buyer shall return to Seller signed copies of all documents within **7 or 2 days** of receipt. If prior to COE, Seller becomes aware of any inaccurate or undisclosed material facts, Seller shall amend Seller's disclosure accordingly. No amendment is required for any conditions of which Buyer is or becomes otherwise aware, or which are contained in reports given to or ordered by Buyer.

A. **REAL ESTATE TRANSFER DISCLOSURE STATEMENT ("TDS"):** (Applies to properties with 1 to 4 residential units.) Unless exempt, Seller shall complete and deliver to Buyer a statutory TDS (Civil Code §1102), which shall be deemed complete when Seller has answered all questions and signed Section II and the listing Broker/Agent has completed and signed Section III. If the TDS is provided to Buyer prior to Acceptance, there are no termination rights based on items disclosed.

B. **SAN FRANCISCO SELLER DISCLOSURE:** (Applies to all properties.) Even if exempt from delivery of a TDS, Seller shall complete and deliver to Buyer the San Francisco Seller Disclosure, which shall be deemed complete when Seller has answered all applicable questions and initialed/signed each page.

C. **NATURAL HAZARDS DISCLOSURE ("NHD"):** (Applies to all properties.) Seller shall provide an NHD report disclosing if the Property is located in a flood, fire, seismic hazard or other zone for which disclosure is required by law. If a TDS is required, the NHD report shall also disclose if the Property is in a special tax district or area.

D. **EARTHQUAKE HAZARDS DISCLOSURE:** (Applies only to properties with 1 to 4 residential units built prior to 1960.) Seller shall deliver to Buyer the "Homeowner's Guide to Earthquake Safety" and complete a disclosure in compliance with Gov. Code §8897.

E. **LEAD-BASED PAINT HAZARDS DISCLOSURE:** (Applies to all properties with residential units built prior to 1978.) Seller shall complete and deliver to Buyer a Lead-Based Paint Hazards Disclosure and Addendum in compliance with 42 U.S.C. 4852d.

F. **BUILDING PERMIT HISTORY:** (Applies to all properties with residential units, except new construction.) Seller shall provide to Buyer a current Report of Residential Building Record ("3R"). Brokers/Agents do not investigate or verify the accuracy of the information contained in a 3R. Buyer is advised to investigate to Buyer's own satisfaction the status of zoning, permits or code compliance with the local planning department and not rely on the 3R to determine if the Property meets Buyer's intended uses.

G. **OTHER DISCLOSURES:** Seller shall provide Buyer with all documents in Seller's possession needed to complete Seller's disclosure obligation.

20. **COMPLIANCE WITH OTHER LOCAL, STATE AND FEDERAL LAWS:** Buyer is advised to consult with the appropriate authorities to determine the extent to which other local, State and federal laws may affect the ownership and use of the Property.

A. **SMOKE AND CARBON MONOXIDE DETECTORS:** Unless an exemption applies, State and local law requires that every residential property be properly equipped with approved and functioning smoke (or heat) and carbon monoxide detectors. If such detectors are not installed on the Property in accordance with applicable law, Seller shall install and pay for the detectors prior to COE.

B. **WATER HEATERS:** California law requires water heaters to be strapped, braced or anchored to resist falling or displacement. The State Uniform Plumbing Code also requires that new or replacement water heaters located in a garage area be installed such that their ignition point is at least 18 inches above the floor. Different local authorities may have more stringent requirements. Seller shall bring water heaters into compliance prior to COE.

C. **UNDERGROUND STORAGE TANKS ("USTs"):** The Parties acknowledge that Article 21 of the San Francisco Health Code requires owners of real property in San Francisco with USTs located on or immediately adjacent to the Property to file a plan for their closure within **30 days** of discovery. If Seller has not provided Buyer with a written report by a licensed contractor specializing in USTs stating that no such tanks can be located, then Buyer is advised to conduct Buyer's own professional inspection, which Seller shall permit. If the inspection reveals the existence of USTs, then Seller shall, at Seller's expense, remove them and complete any necessary remedial work to the Property prior to COE. Buyer may be responsible for USTs found after COE.

D. **ENERGY AND WATER CONSERVATION:** Unless exempt, Seller shall order an energy and/or water conservation inspection. Seller shall pay for all requisite energy/water remediation work, not to exceed the maximum amount set by local law. Seller shall complete the work by COE and comply with all filing, recordation and other requirements.

Buyer's Initials

Seller's Initials

LS US

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- 21. **ILLEGAL UNITS OR ROOMS:** Buyer understands that units, rooms, or additions to the Property may not have been legally permitted. They may violate zoning ordinances, may have been built without building permits, and a certificate of final completion and occupancy may not have been issued. Buyer may be required to bring them into compliance or to remove kitchens or other facilities at Buyer's expense. A substantial fine may be imposed and Buyer may be prevented from renting any illegal units. **Buyer is advised to obtain legal advice from a qualified San Francisco real estate attorney with respect to potential claims tenants renting illegal units may have.**
- 22. **RESIDENTIAL RENT CONTROL ORDINANCE:** If the Property is located in San Francisco, Buyer is advised that there is in effect a Residential Rent Stabilization and Arbitration Ordinance, amended from time to time, which may severely affect Buyer's rights of ownership and right to move into the Property. **Buyer is advised to research documents filed with the San Francisco Rent Board pertaining to the Property and to obtain legal advice from a qualified San Francisco landlord-tenant attorney.**
- 23. **MEGAN'S LAW:** Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at <http://www.meganslaw.ca.gov>. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides.
- 24. **NOTICE REGARDING GAS AND HAZARDOUS LIQUID TRANSMISSION PIPELINES:** This notice is being provided simply to inform you that information about the general location of gas and hazardous liquid transmission pipelines is available to the public via the National Pipeline Mapping System (NPMS) Internet Web site maintained by the United States Department of Transportation at <http://www.npms.phmsa.dot.gov>. To seek further information about possible transmission pipelines near the Property, you may contact your local gas utility or other pipeline operators in the area. Contact information for pipeline operators is searchable by ZIP Code and county on the NPMS Internet Web site.
- 25. **RISK OF LOSS:** (Civil Code §1662) If the Property is materially destroyed prior to the transfer of title or delivery of possession to Buyer, Seller cannot enforce this Contract and Buyer is entitled to recover deposits already made.
- 26. **CONDITION OF PROPERTY:** Seller shall maintain this Property in the same general condition as when this Contract was signed by both Parties until possession is delivered to Buyer. Seller shall deliver the Property free of debris and in broom-clean condition and provide Buyer, at possession, with keys to all locks, mail boxes, alarms and garage doors; garage door remote controls and any codes or passwords. Buyer and Seller agree that Broker/Agents shall not be responsible for Seller's performance under this Paragraph.
- 27. **WALK-THROUGH:** Buyer shall have the right to make a final inspection of the Property within **5 or ___ days** prior to COE, not as a condition of the sale but solely to confirm that: (a) the Property is in substantially the same condition as on the Date of Acceptance, unless otherwise agreed to in writing; and (b) Seller has complied with all additional written obligations regarding the condition of the Property.
- 28. **HOME WARRANTY PLANS:** Buyer and Seller acknowledge they are aware of the availability of home warranty plans which provide limited coverage against system and appliance failures, but have not relied upon any representation by Brokers/Agents regarding the extent of coverage of any such plan. (If checked) A 1-year home warranty plan shall be purchased at a cost not to exceed \$ _____, to be paid by _____, with the cost of any additional coverage to be borne by Buyer. **Or** A home warranty plan is declined by Buyer.
- 29. **BROKERS/AGENTS:** No Brokers or Agents are parties to this Contract between Buyer and Seller. The term "Brokers/Agents" as used in this Contract shall mean the licensees who have served as real estate brokers or agents for either the Buyer or the Seller in the preparation, negotiation and review of this Contract.
- 30. **TAX WITHHOLDING:** The California Revenue and Taxation Code §18662 requires Buyer to withhold from Seller's proceeds 3 1/3% of the gross sale price, unless Seller signs an affidavit stating that the Property has been Seller's principal residence as defined in IRC §121, or another exemption applies. Further, if Seller is a foreign person or corporation, as defined in the Foreign Investment in Real Property Tax Act (FIRPTA), Buyer must, unless an exemption applies, withhold from Seller's proceeds up to 15% of the gross sale price of the Property. At least **7 or ___ days** prior to COE, the Parties shall deliver to Escrow Holder, acting as a Qualified Substitute under IRC §1445 and a State REEP, all documentation necessary to carry out the provisions of these laws. The Parties instruct Escrow Holder to deduct from Seller's proceeds any amounts required. If Escrow Holder receives a Non-Foreign affidavit from Seller, they shall give Buyer a Qualified Substitute Statement attesting to that, under penalty of perjury, prior to COE.
- 31. **NON-CONFIDENTIALITY OF OFFERS:** Buyer is advised that Seller or Seller's representatives may not treat the existence, terms or conditions of offers as confidential unless such is required by law, regulation or a pre-existing agreement between the Parties.
- 32. **TIME:** Time is of the essence. All references to "days" shall mean calendar days, unless otherwise specified.
- 33. **DELIVERY OF DOCUMENTS:** All documents to be delivered by a Party under this Contract, including but not limited to the Acceptance, contingency removals, and/or any termination notice issued by Buyer or Seller, shall be in writing and effective only upon personal receipt by the other Party or that Party's Broker/Agent. Delivery by any method (e.g. personal, mail, fax, e-mail, etc.) is effective.
- 34. **MULTIPLE LISTING SERVICE:** The Parties hereby grant to the San Francisco Association of REALTORS® Multiple Listing Service ("MLS") the right to publish and disseminate the sales price, terms of this Contract and other information about the Property and authorize their respective Brokers/Agents to submit such information under the applicable MLS rules.

Buyer's Initials

Seller's Initials

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CS JP

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LS / US (Contract)
1969 San Jose

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Property: 1969 San Jose Avenue, San Francisco Date: October 4, 2016

35. **MEDIATION OF DISPUTES:** If a dispute arises regarding this Contract, Buyer and Seller agree to first attempt in good faith to settle the dispute by non-binding mediation before resorting to court action or binding arbitration. In mediation, a mutually acceptable resolution is sought rather than a settlement being imposed on the Parties. Mediation fees shall be paid equally by Buyer and Seller. The C.A.R. Real Estate Mediation Center for Consumers (www.consumermediation.org) shall be used, unless another mediation provider is mutually agreed to by the Parties. This Paragraph shall not apply to any disputes within the jurisdictional limits of Small Claims Court. Any Party who fails or refuses to mediate as required by this Paragraph, shall not be entitled to any attorney's fees award under this Contract. A court action to obtain a provisional remedy shall not be a violation of this Paragraph provided the Party commencing the action agrees, pending mediation, to an immediate stay of the court action after obtaining the provisional remedy or lis pendens. This Paragraph shall apply regardless of whether the Parties also agree to arbitration.

36. **ARBITRATION OF DISPUTES:** Any dispute or claim in law or equity arising out of this Contract or any resulting transaction shall be decided by neutral binding arbitration in accordance with the rules of JAMS and not by court action, except as provided by California law for judicial review of arbitration proceedings. The Parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05. Arbitrators can award compensatory damages, punitive damages, and/or order specific performance, injunctive relief and declaratory relief. Judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The following matters are excluded from arbitration hereunder: (a) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage, or real property sales contract as defined in Civil Code §2985; (b) an unlawful detainer action; (c) the filing or enforcement of a mechanic's lien; (d) any matter which is within the jurisdiction of a probate court or a Small Claims Court; or (e) an action for bodily injury or wrongful death. The filing of a judicial action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a waiver of the right to arbitrate under this provision.

"NOTICE: BY INITIALLING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALLING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY."

"WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION."

Buyer's Initials
CS / JP

Seller's Initials
LS / US

37. **LIQUIDATED DAMAGES:** If Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. If the Property is a dwelling with no more than four units, one of which Buyer intends to occupy, then the amount retained shall be no more than 3% of the Purchase Price. Any excess shall be returned to Buyer. Release of funds will require mutual, signed release instructions from both Buyer and Seller, judicial decision or arbitration award. BUYER AND SELLER SHALL SIGN A SEPARATE LIQUIDATED DAMAGES AGREEMENT FOR ANY INCREASED DEPOSIT.

Buyer's Initials
CS / JP

Seller's Initials
LS / US

38. **LEGAL ADVICE ON ARBITRATION AND LIQUIDATED DAMAGES:** Buyer and Seller acknowledge that they have not received or relied upon any representation by Brokers/Agents regarding Arbitration and Liquidated Damages and that they have been advised by Brokers/Agents to seek legal advice from a qualified real estate attorney. In the event only one Party initials either clause (Arbitration or Liquidated Damages), that clause shall not be part of this Contract as formed.

39. **ATTORNEYS' FEES:** In any action, proceeding or arbitration between Buyer and Seller arising out of this Contract, the prevailing Party shall be entitled to reasonable attorney fees and costs from the non-prevailing Party.

40. **ACCEPTANCE:** Under this Contract, Acceptance occurs only when Seller signs Buyer's original offer and Addenda without any changes and a signed copy is delivered to Buyer or Buyer's Broker/Agent, OR when the last of any counter offers has been signed by the receiving Party without any changes and a signed copy of that counter offer is delivered to the issuing Party. Signed means by application of a written signature or, to the fullest extent allowed by California law, an electronic signature on an original document, counterpart, photocopy or electronic copy. The Parties agree that electronic means will not be used by either of them to alter the content or integrity of the Contract.

Buyer's Initials

Seller's Initials

Buyer's Initials
CS / JP

Seller's Initials
LS / US (Contract)
1969 San Jose

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- 41. **TERMINATION:** The following provisions apply except for a good faith exercise by either Party of a contractual contingency or a statutory right to terminate which can be done unilaterally by notice by a Party. Termination of this Contract by Seller shall be effected only after delivery of a Notice to Perform to Buyer which provides at least 2 days to perform contractual terms or remove contingencies. In the event that Buyer does not perform as noticed, Seller may terminate this Contract. Termination of this contract due to Seller's failure to perform contractual terms or remove contingencies, including Seller's failure to provide documents or reports mandated by this Contract or otherwise required by law, or Seller's failure to remove a Seller contingency, shall be effected only after delivery of a Notice to Perform to Seller which provides at least 2 days to perform as noticed. In the event that Seller does not perform as noticed, Buyer may terminate this Contract. Either Party may issue a Notice to Perform no sooner than 2 days prior to the contractual deadline. The obligation to close escrow as provided in paragraph 2 above is a contractual term requiring a Notice to Perform. Any escrow or title company charges shall be borne by Buyer. Release of funds from escrow will require mutually consistent signed instructions from both Buyer and Seller, or the rendering of a judicial decision or arbitration award authorizing the release.
- 42. **BROKERS' COMPENSATION:** The Parties irrevocably instruct Escrow Holder to disburse to Brokers at COE compensation from funds in escrow in accordance with the terms set forth in the listing agreement for the Property or other compensation agreement. Compensation instructions can be amended or revoked only with the written consent of Listing and Selling Brokers.
- 43. **GENERAL PROVISIONS:** This Contract contains the entire agreement of the Parties. Any purported or prior agreement or representation respecting the Property or the duties of Buyer and Seller in relation thereto which is not expressly set forth herein is null and void. No amendment to or modification of this Contract shall be valid or enforceable unless in writing and signed by Buyer and Seller. This Contract shall be binding upon, and inure to the benefit of, the Parties' respective heirs, successors and assigns.
- 44. **REPRESENTATIVE CAPACITY:** The Parties acknowledge and accept that a Buyer and/or a Seller is signing this Agreement and the related transaction disclosures and documents as a representative, not as an individual, and agrees to provide a Representative Capacity Signature Disclosure form, with evidence of the authority to so act, to the other Party within **3 days** of Acceptance.
- 45. **ACKNOWLEDGMENT OF RECEIPT:** The Parties hereby acknowledge receipt of a copy of this Contract and represent that they have read, and that they understand, its provisions.
- 46. **ADDITIONAL TERMS AND CONDITIONS** including all attached Addenda signed by Buyer and Seller shall be deemed a part of this Contract. Seller expressly represents to Buyer that Seller has disclosed and shared with Buyer all written leases for all tenancies located at 1969 San Jose Avenue, San Francisco, CA 94112 (hereinafter "Premises"). Seller further Continued... See Addendum Additional Terms 1
- 47. **EXPIRATION:** This offer shall be deemed revoked unless a copy of this Contract with Seller's signature accepting it is delivered to Buyer or Buyer's Broker/Agent within **24 or** _____ **hours** of presentation to Seller, or (if checked) not later than _____ (time) on _____ (date).

NO REPRESENTATION IS MADE AS TO THE LEGAL SUFFICIENCY OR VALIDITY OF ANY PROVISION OF THIS CONTRACT FOR ANY SPECIFIC TRANSACTION. BROKERS/AGENTS CAN ADVISE ON REAL ESTATE TRANSACTIONS ONLY. FOR LEGAL OR TAX ADVICE, CONSULT A QUALIFIED ATTORNEY OR CPA.

Buyer Christopher Walti Date 10/4/2016 Buyer Jamie Patten Date 10/4/2016
DocuSigned by: Christopher Walti 546744BB487DCBA... DocuSigned by: Jamie Patten 6641072C586C496...

ACCEPTANCE

The undersigned Seller hereby accepts the foregoing offer and agrees to sell the Property on the terms and conditions set forth herein, OR (if checked) accepts on the above terms and conditions as amended by Seller's Counter Offer

Seller Luis Segura Date 10/06/2016 07:18 PM GMT Seller Yolanda Segura Date 10/06/2016 07:20 PM GMT
DocuSigned by: Luis Segura DocuSigned by: Yolanda Segura

BROKER/AGENT COMPENSATION AGREEMENT AND ACKNOWLEDGMENT OF AGENCY RELATIONSHIPS

Listing Broker agrees to assign and pay to Selling Broker from the commission as set forth in a separate written listing agreement between Seller and Listing Broker, the amount specified in the MLS, or (if checked) in a separate written agreement between the Brokers. Any percentages shown shall be based upon the Purchase Price, unless otherwise specified. Broker(s) hereby agree to the terms and conditions for compensation stated above and acknowledge the agency relationships confirmed in this Contract.

Selling Broker Redfin CalBRE License # 01521930
 By (Broker/Agent for Buyer) Baxter Smith Date 10/4/2016 CalBRE License # 01954904
DocuSigned by: Baxter Smith 66DD0FE0C72F439...
 Listing Broker Strass, Devi CalBRE License # _____
 By (Broker/Agent for Seller) Devi Strass Date 10/06/2016 05:38 PM GMT CalBRE License # 01280032
DocuSigned by: Devi Strass

Reviewed by Managing Broker _____ Date _____



**SAN FRANCISCO
ASSOCIATION of REALTORS®**

TEXT OVERFLOW ADDENDUM Page 1
SAN FRANCISCO ASSOCIATION OF REALTORS® STANDARD FORM
This form is intended for use in San Francisco

The following terms and conditions are hereby incorporated in and made a part of the Purchase Agreement or other form for the Property known as 1969 San Jose Avenue, San Francisco, CA 94112

in which Christopher Walti, Jamie Patton is referred to as "Buyer"
and Luis Segura, Yolanda Segura is referred to as "Seller".

1) Additional Terms

represents that every tenancy at the Premises is currently on a month-to-month basis. Seller's representation specifically covers the tenancies related to Pinky Lemaster (Room 1, Upstairs Unit); Florence Bell (Room 2, Upstairs Unit); Alejandro Castillo (Room 3, Upstairs Unit), Alma Alanis Villegas (Room 4, Upstairs Unit); Claudia Parada (Room 5, Upstairs Unit); Raul Zepeda Lee (Room 6, Downstairs Unit); and Andrew Gilbert Challenger (Room 7, Downstairs Unit). Buyer is expressly relying upon Seller's representation in entering into this purchase agreement with Seller.

Buyer Christopher Walti Date 10/4/2016
DocuSigned by: Christopher Walti
5467A4PB497D4RA

Buyer Jamie Patton Date 10/4/2016
DocuSigned by: Jamie Patton
9641072C5666486

Seller Luis Segura Date 10/06/2016 07:18 PM GMT
DocuSigned by: Luis Segura

Seller Yolanda Segura Date 10/06/2016 07:20 PM GMT
DocuSigned by: Yolanda Segura

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SAN FRANCISCO ASSOCIATION of REALTORS®

CONTINGENCY REMOVAL # 1

SAN FRANCISCO ASSOCIATION OF REALTORS® STANDARD FORM

This form is intended for use in San Francisco.

Contingency Removal for the San Francisco Purchase Agreement dated October 4, 2016 (Date Prepared) for the Property known as 1969 San Jose Avenue, San Francisco, CA 94112 between Christopher Walti, Jamie Patton ("Buyer") and Luis Segura, Yolanda Segura ("Seller").

By checking a box below, Buyer acknowledges that Buyer (a) has had the opportunity to inspect or has received documents pursuant to the referenced items in the San Francisco Purchase Agreement (Buyer has signed, or agrees to sign, copies of said documents for Broker/Agent's transaction file) and (b) is fully satisfied with the matters addressed in the referenced paragraph of the Contract. Except for information contained in Seller's and Broker/Agent's Disclosure Statements, Buyer has not relied upon Seller's or Broker/Agent's representations as to the condition of the Property.

- | <u>Check</u> | <u>Contract Paragraph and Terms</u> |
|-------------------------------------|---|
| <input type="checkbox"/> | 1 <u>Financing Provisions</u> |
| <input type="checkbox"/> | 4 <u>Appraisal</u> |
| <input type="checkbox"/> | 8 <u>Title Review</u> (subject to the Exceptions noted below) |
| <input type="checkbox"/> | 9B <u>Leased or Liented Items</u> |
| <input type="checkbox"/> | 12A <u>Property Inspections</u> (subject to the Exceptions noted below) |
| <input type="checkbox"/> | 13 <u>Condominium Disclosure</u> (including parking and storage spaces, CC&Rs, Bylaws, Articles of Incorporation, rules and regulations, budget, financial statements of the Homeowners Association, one year's minutes of the Homeowners Association meetings, and any other condominium documents required by law or this Contract) |
| <input type="checkbox"/> | 14 <u>Rental Property</u> (including copies of all leases and rental agreements, copies of all outstanding notices sent to tenants, notification of any pass-throughs which constitute part of the existing rent, which units include parking as part of the rent, whether or not any parking spaces are rented to non-tenants, vacant unit disclosures, any buyout agreements, the rental history of each unit from the date of each tenant's occupancy to the present, notices of rent increases, rental information questionnaires and protected tenant status forms received back from tenants) |
| <input type="checkbox"/> | 16 <u>Income and Expense Statement</u> (for the current year and prior requested years) |
| <input type="checkbox"/> | 18 <u>Sale of Buyer's Property</u> |
| <input type="checkbox"/> | 19A <u>Real Estate Transfer Disclosure Statement</u> |
| <input type="checkbox"/> | 19B <u>San Francisco Seller Disclosure</u> |
| <input type="checkbox"/> | 19C <u>Natural Hazards Disclosure Statement/Report</u> |
| <input type="checkbox"/> | 19D <u>Earthquake Hazards Disclosure</u> |
| <input type="checkbox"/> | 19E <u>Lead-Based Paint Hazards Disclosure</u> |
| <input type="checkbox"/> | 19F <u>Building Permit History</u> (Report of Residential Building Record - 3R) |
| <input type="checkbox"/> | 19G <u>Other Disclosures:</u> _____ |
| <input type="checkbox"/> | 46 <u>Additional Terms:</u> _____ |
| <input type="checkbox"/> | Addenda <input type="checkbox"/> TIC Purchase <input type="checkbox"/> Other: _____ <input type="checkbox"/> Other: _____ |
| <input checked="" type="checkbox"/> | All remaining Buyer contingencies established by the Contract. |

Exceptions (attach separate sheet, if necessary): _____

Do not use this form to renegotiate the terms of the Contract. If Buyer is only willing to remove contingencies in exchange for Seller concessions, Broker/Agent recommends that Buyer use a Request for Repair form or a new Contract Addendum.

Buyer Christopher Walti Date 10/4/2016 Buyer Jamie Patton Date 10/4/2016

Confirmation of Receipt of this Removal of Contingencies: Seller's Initials: LS / US Date _____

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POSSIBLE REPRESENTATION OF MORE THAN ONE BUYER OR SELLER - DISCLOSURE AND CONSENT

(C.A.R. Form PRBS, 11/14)

A real estate broker (Broker), whether a corporation, partnership or sole proprietorship, may represent more than one buyer or seller. This multiple representation can occur through an individual licensed as a broker or salesperson or through different individual broker's or salespersons (associate licensees) acting under the Broker's license. The associate licensees may be working out of the same or different office locations.

Multiple Buyers: Broker (individually or through its associate licensees) may be working with many prospective buyers at the same time. These prospective buyers may have an interest in, and make offers on, the same properties. Some of these properties may be listed with Broker and some may not. Broker will not limit or restrict any particular buyer from making an offer on any particular property whether or not Broker represents other buyers interested in the same property.

Multiple Sellers: Broker (individually or through its associate licensees) may have listings on many properties at the same time. As a result, Broker will attempt to find buyers for each of those listed properties. Some listed properties may appeal to the same prospective buyers. Some properties may attract more prospective buyers than others. Some of these prospective buyers may be represented by Broker and some may not. Broker will market all listed properties to all prospective buyers whether or not Broker has another or other listed properties that may appeal to the same prospective buyers.

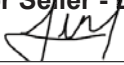







Dual Agency: If Seller is represented by Broker, Seller acknowledges that broker may represent prospective buyers of Seller's property and consents to Broker acting as a dual agent for both seller and buyer in that transaction. If Buyer is represented by Broker, buyer acknowledges that Broker may represent sellers of property that Buyer is interested in acquiring and consents to Broker acting as a dual agent for both buyer and seller with regard to that property.

In the event of dual agency, seller and buyer agree that: **(a)** Broker, without the prior written consent of the Buyer, will not disclose to seller that the Buyer is willing to pay a price greater than the offered price; **(b)** Broker, without the prior written consent of the seller, will not disclose to the buyer that seller is willing to sell property at a price less than the listing price; and **(c)** other than as set forth in (a) and (b) above, a dual agent is obligated to disclose known facts materially affecting the value or desirability of the property to both parties.

Offers not necessarily confidential: Buyer is advised that seller or listing agent may disclose the existence, terms, or conditions of buyer's offer unless all parties and their agent have signed a written confidentiality agreement. Whether any such information is actually disclosed depends on many factors, such as current market conditions, the prevailing practice in the real estate community, the listing agent's marketing strategy and the instructions of the seller.

Buyer and seller understand that Broker may represent more than one buyer or more than one seller and even both buyer and seller on the same transaction and consents to such relationships.

Seller and/or Buyer acknowledges reading and understanding this Possible Representation of More Than One Buyer or Seller - Disclosure and Consent and agrees to the agency possibilities disclosed.

Seller			07:18 PM GMT	<u>Luis Segura</u>	Date	_____
Seller				<u>Yolanda Segura</u>	Date	_____
Buyer			10/06/2016	<u>Christopher Walti</u>	Date	10/4/2016
Buyer			07:20 PM GMT	<u>Jamie Patton</u>	Date	10/4/2016
Real Estate Broker (Firm)			05:39 PM GMT	CalBRE Lic # <u>01280032</u>	Date	_____
By	<u>Devi Strass</u>			CalBRE Lic # <u>01521930</u>	Date	10/4/2016
By				CalBRE Lic # <u>01954904</u>	Date	10/4/2016

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Reviewed by _____ Date _____

PRBS 11/14 (PAGE 1 OF 1)

POSSIBLE REPRESENTATION OF MORE THAN ONE BUYER OR SELLER (PRBS PAGE 1 OF 1)



CARBON MONOXIDE DETECTOR NOTICE
(C.A.R. Form CMD, 4/12)

Property Address: 1969 San Jose Avenue, San Francisco, CA 94112

1. INSTALLATION OF CARBON MONOXIDE DETECTORS:

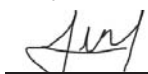


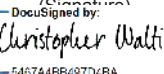
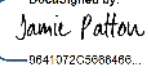

- A. Requirements:** California law (Health and Safety Code sections 13260 to 13263 and 17296 to 17296.2) requires that as of July 1, 2011, all existing single-family dwellings have carbon monoxide detectors installed and that all other types of dwelling units intended for human occupancy have carbon monoxide detectors installed on or before January 1, 2013. The January 1, 2013 requirement applies to a duplex, lodging house, dormitory, hotel, condominium, time-share and apartment, among others.
- B. Exceptions:** The law does not apply to a dwelling unit which does not have any of the following: a fossil fuel burning heater or appliance, a fireplace, or an attached garage. The law does not apply to dwelling units owned or leased by the State of California, the Regents of the University of California or local government agencies. Aside from these three owner types, there are **no other owner exemptions** from the installation requirement; it applies to all owners of dwellings, be they individual banks, corporations, or other entities. There is no exemption for REO properties.

2. DISCLOSURE OF CARBON MONOXIDE DETECTORS: The Health and Safety Code does not require a disclosure regarding the existence of carbon monoxide detectors in a dwelling. However, a seller of residential 1-4 property who is required to complete a Real Estate Transfer Disclosure Statement, (C.A.R. Form TDS) or a Manufactured Home and Mobile home Transfer Disclosure Statement (C.A.R. Form MHTDS) must use section II A of that form to disclose whether or not the dwelling unit has a carbon monoxide detector.

3. COMPLIANCE WITH INSTALLATION REQUIREMENT: State building code requires at a minimum, placement of carbon monoxide detectors in applicable properties outside of each sleeping area, and on each floor in a multi-level dwelling but additional or different requirements may apply depending on local building standards and manufacturer instructions. An owner who fails to install a carbon monoxide detector when required by law and continues to fail to install the detector after being given notice by a governmental agency could be liable for a fine of up to \$200 for each violation. A transfer of a property where a seller, as an owner, has not installed carbon monoxide detectors, when required to do so by law, will not be invalidated, but the seller/owner could be subject to damages of up to \$100, plus court costs and attorney fees. Buyer and Seller are each advised to consult with their own home inspector, contractor or building department to determine the exact location for installation of carbon monoxide detectors. Buyer is advised to consult with a professional of Buyer's choosing to determine whether the property has carbon monoxide detector(s) installed as required by law, and if not to discuss with their counsel the potential consequences.

4. LOCAL REQUIREMENTS: Some localities maintain their own retrofit or point of sale requirements which may include the requirement that a carbon monoxide detector be installed prior to a transfer of property. Therefore, it is important to check the local city or county building and safety departments regarding point of sale or retrofit requirements when transferring property.

The undersigned hereby acknowledge(s) receipt of a copy of this Carbon Monoxide Detector Notice.

Seller/Landlord	 (Signature)		10/06/2016 07:18 PM GMT	<u>Luis Segura</u> (Print Name)	Date _____
Seller/Landlord	<u>Yolanda Segura</u> (Signature)		10/06/2016 07:20 PM GMT	<u>Yolanda Segura</u> (Print Name)	Date _____
Buyer/Tenant	 (Signature)			<u>Christopher Walti</u> (Print Name)	Date 10/4/2016
Buyer/Tenant	 (Signature)			<u>Jamie Patton</u> (Print Name)	Date 10/4/2016

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CMD 4/12 (PAGE 1 OF 1)

CARBON MONOXIDE DETECTOR NOTICE (CMD PAGE 1 OF 1)



MARKET CONDITIONS ADVISORY
(C.A.R. Form MCA, Revised 11/11)

1. MARKET CONDITIONS: Real estate markets are cyclical and can change over time. It is impossible to predict future market conditions with accuracy. In a competitive or "hot" real estate market, there are generally more Buyers than Sellers. This will often lead to multiple buyers competing for the same property. As a result, in order to make their offers more attractive, some Buyers may offer more than originally planned or eliminate certain contingencies in their offers. In a less competitive or "cool" market there are generally more Sellers than Buyers, often causing real estate prices to level off or drop, sometimes precipitously. The sales price of homes being sold as foreclosures and short sales is difficult to anticipate and can affect the value of other homes in the area. Brokers, appraisers, Sellers and Buyers take these "distressed" property sales and listings into consideration when valuing property. In light of the real estate market's cyclical nature it is important that Buyers understand the potential for little or no appreciation in value, or an actual loss in value, of the property they purchase. This Advisory discusses some of the potential risks inherent in changing market conditions.

2. BUYER CONSIDERATIONS:

A. OFFERING PRICE: AS A BUYER, YOU ARE RESPONSIBLE FOR DETERMINING THE PRICE YOU WANT TO OFFER FOR A PROPERTY. Although Brokers may provide you with comparable sales data, generally from information published in the local multiple listing service, you should know that the reporting of this data is often delayed and prices may change, up or down, faster than reported sales indicate. All buyers should be sure they are comfortable with the price they are offering or the price they are accepting in a counter offer. You should be aware of and think about the following: **(i)** If your offer is accepted, the property's value may not increase and may even decrease. **(ii)** If your offer is accepted, you may have "Buyer's remorse" that you paid too much. **(iii)** If your offer is rejected there can be no guarantee that you will find a similar property at the same price. **(iv)** If your offer is rejected, you may not be satisfied that the amount you offered was right for you. Only you can determine that your offer was reasonable and prudent in light of the property and your circumstances.

B. NON-CONTINGENT OFFERS: Most residential purchase agreements contain contingencies allowing a Buyer within a specified period of time to cancel a purchase if: **(i)** the Buyer cannot obtain a loan; **(ii)** is dissatisfied with the property's condition after an inspection; or **(iii)** if the property does not appraise at a certain value. To make their offers more attractive, Buyers will sometimes write offers with few or no contingencies or offer to remove contingencies within a short period of time. In a "hot" market, sellers will sometimes insist that Buyers write offers with no contingencies. Broker recommends that Buyers do not write non-contingent offers and if you do so, you are acting against Broker's advice. However, if you do write a non-contingent offer these are some of the contractual rights you may be giving up:

(1) LOAN CONTINGENCY: If you give up your loan contingency, and you cannot obtain a loan, whether through your fault or the fault of your lender, and as a result, you do not or cannot purchase the property, you may legally be in default under the contract and required to pay damages or forfeit your deposit to the seller.

(2) APPRAISAL CONTINGENCY: If your lender's (or your own) appraiser does not believe the property is worth what you have agreed to pay for it, your lender may not loan the full amount needed for the purchase or may not loan any amount at all because of a low appraisal. As a result, if you do not purchase the property, and you have removed your appraisal contingency, you may legally be in default under the contract and could be required to pay damages to, or forfeit your deposit to, the Seller. The Seller is not obligated to reduce the purchase price to match the appraised value.

Buyer's Initials (JD) (JP)

Seller's Initials (LS) (US)

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MCA REVISED 11/11 (PAGE 1 OF 2)

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MARKET CONDITIONS ADVISORY (MCA PAGE 1 OF 2)

Property Address: 1969 San Jose Avenue, San Francisco, CA 94112

Date: October 4, 2016

3. **INSPECTION CONTINGENCY:** If you disapprove of the condition of the property and as a result, you do not purchase the property, you may legally be in default under the contract and required to pay damages to, or forfeit your deposit to, the Seller if you have removed your inspection contingency. However, even if you make an offer without an inspection contingency or you remove that contingency, the Seller may still be obligated to disclose to you material facts about the property. In some cases, once you receive that information the law gives you an independent right to cancel for a limited period of time.

There is inherent risk in writing a non-contingent offer. Only you, after careful consultation and deliberation with your attorney, accountant, or financial advisor can decide how much risk you are willing to take. IT IS YOUR DECISION ALONE AND CANNOT BE MADE BY YOUR BROKER OR REAL ESTATE AGENT.



C. BROKER RECOMMENDATIONS. Broker recommends that you do not write a non-contingent offer, even if you are planning on paying all cash for the property. If you intend to write a non-contingent offer, Broker recommends that, prior to writing the offer, you: **(i)** review all available Seller reports, disclosures, information and documents; **(ii)** have an appropriate professional inspect the property (even if it is being sold "as is" in its present condition); and **(iii)** carefully assess your financial position and risk with your attorney, accountant or financial advisor.

D. MULTIPLE OFFERS: At times Buyers may write offers on more than one property even though the Buyer intends to purchase only one. This may occur in a short sale when the approval process can take a considerable amount of time. While it is not illegal to make offers on multiple properties with intent to purchase only one, the Buyer can be obligated to many Sellers if more than one accepts the Buyer's offers. If the Buyer has not disclosed that the Buyer is writing multiple offers with the intent to purchase only one and the Buyer subsequently cancels without using a contingency, the Seller may claim the Buyer is in breach of contract because the Buyer fraudulently induced the Seller to enter into a contract.


3. SELLER CONSIDERATIONS:

As a Seller, you are responsible for determining the asking price for your property. Although Brokers may provide you with comparable sales data, generally from information published in the local multiple listing service, you should know that the reporting of this data is often delayed and prices may change, up or down, faster than reported sales indicate. All Sellers should be sure they are comfortable with the asking price they are setting and the price they are accepting. There is not, and cannot be, any guarantee that the price you decide to ask for your property, or the price at which you agree to sell your property is the highest available price obtainable for the property. It is solely your decision as to how much to ask for your property and at which price to sell your property.

Buyer/Seller acknowledges each has read, understands and has received a copy of this Market Conditions Advisory.

Buyer	<small>DocuSigned by:</small> <i>Christopher Walti</i>	Date	10/4/2016
Buyer	<small>546744RR49774RA</small> <i>Christopher</i> <small>DocuSigned by:</small> <i>Jamie Patton</i>	Date	10/4/2016
Seller	<small>06410720566</small> <i>Jamie Patton</i> 	Date	10/06/2016 07:18 PM GMT
Seller	<i>Luis Segura</i> <i>Yolanda Segura</i> 	Date	10/06/2016 07:20 PM GMT
	<i>Yolanda Segura</i>		

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Reviewed by _____ Date _____





"AS-IS" ADDENDUM
SAN FRANCISCO ASSOCIATION OF REALTORS® STANDARD FORM
This form is intended for use in San Francisco

The following terms and conditions are hereby incorporated in and made a part of the San Francisco Purchase Agreement, or Counter Offer No. , or other dated 10/04/2016 for the Property known as 1969 San Jose Avenue, San Francisco, CA 94112 between Christopher Walti, Jamie Patton ("Buyer") and Luis Segura, Yolanda Segura ("Seller").

- 1. Buyer is buying the Property in its present "AS-IS" condition, unless otherwise agreed in writing:
A. This Addendum supersedes any provision in the Contract requiring Seller to repair or make operable any appliance, component or system.
B. Seller is not relieved from compliance with any statutory obligations related to the sale of the Property, including without limitation, those regarding the Transfer Disclosure Statement (TDS).
C. Seller will not investigate public records for the Property (e.g., zoning, permits or code compliance).
D. Buyer has not relied and will not rely on any oral representations or warranties from Seller or Brokers/Agents with respect to the condition of the Property. Buyer is relying upon Buyer's independent investigation of the Property.
E. Seller will not agree to any requests for credits or reductions in the Purchase Price regarding any matter that may be revealed by Buyer's independent investigation of the Property, or otherwise.
2. Buyer acknowledges Civil Code §2079.5, which provides that: "Nothing in this article relieves a buyer or prospective buyer of the duty to exercise reasonable care to protect himself or herself, including those facts which are known to or within the diligent attention and observation of the buyer or prospective buyer."
3. California law requires a seller to disclose all material facts he or she actually knows relating to the value or desirability of the Property. However, what may be perceived as "material" may vary from person to person. Therefore, in executing this Addendum, Buyer acknowledges that:
A. The Property and its components, appliances, fixtures, systems and materials have varying remaining useful lives.
B. Not all components, improvements or fixtures on the Property may comply with current code, zoning or setback requirements.
C. Square footage and lot dimensions, if given, are approximate only and should not be relied upon.
D. Lot lines cannot be reliably determined by existing fences, landscaping, retaining walls, or the like.
E. Neighborhood nuisance issues (including noise) can be subjective, depending on varying personal sensitivities.
F. Future or ongoing construction at surrounding properties can obstruct view corridors.
4. If any of the above items, or other factors affecting the Property, are important to Buyer, then Buyer is urged to conduct inspections utilizing appropriate professionals other than Brokers/Agents. No independent investigation of the above items will be conducted by Seller.
5. If provided for in the Agreement, Buyer may have all inspections that Buyer desires with respect to the Property. In removing the inspection conditions in this Addendum, it will be conclusively presumed that Buyer is fully satisfied with respect to the items which are the subject of that condition (e.g., physical condition of the Property). If Buyer does not have a particular inspection of the Property, or any portion of it, it will be conclusively presumed that Buyer has waived that inspection and waived any claims with respect to items that would have been disclosed by such an inspection, to the fullest extent allowed by law.

Buyer Christopher Walti Date 10/4/2016
Seller Luis Segura Date 10/06/2016 07:18 PM GMT

Buyer Jamie Patton Date 10/4/2016
Seller Yolanda Segura Date 10/06/2016 07:20 PM GMT

BROKERS/AGENTS CAN ADVISE ON REAL ESTATE TRANSACTIONS ONLY. FOR LEGAL OR TAX ADVICE, CONSULT A QUALIFIED ATTORNEY OR CPA.





BUYER'S INSPECTION ADVISORY

(C.A.R. Form BIA, Revised 11/14)

1. IMPORTANCE OF PROPERTY INVESTIGATION: The physical condition of the land and improvements being purchased is not guaranteed by either Seller or Brokers. You have an affirmative duty to exercise reasonable care to protect yourself, including discovery of the legal, practical and technical implications of disclosed facts, and the investigation and verification of information and facts that you know or that are within your diligent attention and observation. A general physical inspection typically does not cover all aspects of the Property nor items affecting the Property that are not physically located on the Property. If the professionals recommend further investigations, including a recommendation by a pest control operator to inspect inaccessible areas of the Property, you should contact qualified experts to conduct such additional investigations.

2. BROKER OBLIGATIONS: Brokers do not have expertise in all areas and therefore cannot advise you on many items, such as those listed below. If Broker gives you referrals to professionals, Broker does not guarantee their performance.

3. YOU ARE STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO THE FOLLOWING. IF YOU DO NOT DO SO, YOU ARE ACTING AGAINST THE ADVICE OF BROKERS.

- A. GENERAL CONDITION OF THE PROPERTY, ITS SYSTEMS AND COMPONENTS:** Foundation, roof (condition, age, leaks, useful life), plumbing, heating, air conditioning, electrical, mechanical, security, pool/spa (cracks, leaks, operation), other structural and nonstructural systems and components, fixtures, built-in appliances, any personal property included in the sale, and energy efficiency of the Property.
- B. SQUARE FOOTAGE, AGE, BOUNDARIES:** Square footage, room dimensions, lot size, age of improvements and boundaries. Any numerical statements regarding these items are APPROXIMATIONS ONLY and have not been verified by Seller and cannot be verified by Brokers. Fences, hedges, walls, retaining walls and other barriers or markers do not necessarily identify true Property boundaries.
- C. WOOD DESTROYING PESTS:** Presence of, or conditions likely to lead to the presence of wood destroying pests and organisms.
- D. SOIL STABILITY:** Existence of fill or compacted soil, expansive or contracting soil, susceptibility to slippage, settling or movement, and the adequacy of drainage.
- E. WATER AND UTILITIES; WELL SYSTEMS AND COMPONENTS; WASTE DISPOSAL:** Water and utility availability, use restrictions and costs. Water quality, adequacy, condition, and performance of well systems and components. The type, size, adequacy, capacity and condition of sewer and septic systems and components, connection to sewer, and applicable fees.
- F. ENVIRONMENTAL HAZARDS:** Potential environmental hazards, including, but not limited to, asbestos, lead-based paint and other lead contamination, radon, methane, other gases, fuel oil or chemical storage tanks, contaminated soil or water, hazardous waste, waste disposal sites, electromagnetic fields, nuclear sources, and other substances, materials, products, or conditions (including mold (airborne, toxic or otherwise), fungus or similar contaminants).
- G. EARTHQUAKES AND FLOODING:** Susceptibility of the Property to earthquake/seismic hazards and propensity of the Property to flood.
- H. FIRE, HAZARD AND OTHER INSURANCE:** The availability and cost of necessary or desired insurance may vary. The location of the Property in a seismic, flood or fire hazard zone, and other conditions, such as the age of the Property and the claims history of the Property and Buyer, may affect the availability and need for certain types of insurance. Buyer should explore insurance options early as this information may affect other decisions, including the removal of loan and inspection contingencies.
- I. BUILDING PERMITS, ZONING AND GOVERNMENTAL REQUIREMENTS:** Permits, inspections, certificates, zoning, other governmental limitations, restrictions, and requirements affecting the current or future use of the Property, its development or size.
- J. RENTAL PROPERTY RESTRICTIONS:** Some cities and counties impose restrictions that limit the amount of rent that can be charged, the maximum number of occupants, and the right of a landlord to terminate a tenancy. Deadbolt or other locks and security systems for doors and windows, including window bars, should be examined to determine whether they satisfy legal requirements.
- K. SECURITY AND SAFETY:** State and local Law may require the installation of barriers, access alarms, self-latching mechanisms and/or other measures to decrease the risk to children and other persons of existing swimming pools and hot tubs, as well as various fire safety and other measures concerning other features of the Property.
- L. NEIGHBORHOOD, AREA, SUBDIVISION CONDITIONS; PERSONAL FACTORS:** Neighborhood or area conditions, including schools, law enforcement, crime statistics, registered felons or offenders, fire protection, other government services, availability, adequacy and cost of internet connections or other technology services and installations, commercial, industrial or agricultural activities, existing and proposed transportation, construction and development that may affect noise, view, or traffic, airport noise, noise or odor from any source, wild and domestic animals, other nuisances, hazards, or circumstances, protected species, wetland properties, botanical diseases, historic or other governmentally protected sites or improvements, cemeteries, facilities and condition of common areas of common interest subdivisions, and possible lack of compliance with any governing documents or Homeowners' Association requirements, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of Buyer.

By signing below, Buyers acknowledge that they have read, understand, accept and have received a Copy of this Advisory.

Buyer Christopher Walki 10/4/2016
DocuSigned by: Christopher Walki
5467A4DD497D4BA...

Buyer Jamie Patton 10/4/2016
DocuSigned by: Jamie Patton
9641072C5368466...

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BUYER'S INSPECTION ADVISORY (BIA PAGE 1 OF 1)



Redfin, 655 Montgomery St, Suite 1500 San Francisco, CA 94111 Phone: (415)841-3041 Fax: (415)841-3041 1969 San Jose
Baxter Smith Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 www.ziplogix.com



WIRE FRAUD ADVISORY
(C.A.R. Form WFA, 6/16)

Property Address: 1969 San Jose Avenue, San Francisco, CA 94112 ("Property").

WIRE FRAUD ADVISORY:

The ability to communicate and conduct business electronically is a convenience and reality in nearly all parts of our lives. At the same time, it has provided hackers and scammers new opportunities for their criminal activity. Many businesses have been victimized and the real estate business is no exception.

While wiring funds is a welcome convenience, buyers and sellers need to exercise extreme caution. Emails attempting to induce fraudulent wire transfers have been received and have appeared to be legitimate. Reports indicate that some hackers have been able to intercept emailed wire transfer instructions, obtain account information and, by altering some of the data, redirect the funds to a different account. It also appears that some hackers were able to provide false phone numbers for verifying the wiring instructions. In those cases, the buyers called the number provided, to confirm the instructions, and then unwittingly authorized a transfer to somewhere other than escrow. Sellers have also had their sales proceeds taken through similar schemes.

ACCORDINGLY, BUYERS AND SELLERS ARE ADVISED:

1. Obtain the phone number of the Escrow Officer at the beginning of the transaction.
2. DO NOT EVER WIRE FUNDS PRIOR TO CALLING YOUR ESCROW OFFICER TO CONFIRM WIRE INSTRUCTIONS. ONLY USE A PHONE NUMBER YOU WERE PROVIDED PREVIOUSLY. Do not use any different phone number included in the emailed wire transfer instructions.
3. Orally confirm the wire transfer instruction is legitimate and confirm the bank routing number, account numbers and other codes before taking steps to transfer the funds.
4. Avoid sending personal information in emails or texts. Provide such information in person or over the telephone directly to the Escrow Officer.
5. Take steps to secure the system you are using with your email account. These steps include creating strong passwords, using secure WiFi, and not using free services.

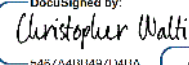
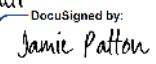



If you believe you have received questionable or suspicious wire instructions, immediately notify your bank, the Escrow Holder and your real estate agent. The sources below, as well as others, can also provide information:

Federal Bureau of Investigation: <https://www.fbi.gov/>

National White Collar Crime Center: <http://www.nw3c.org/>

On Guard Online: <https://www.onguardonline.gov/>

By signing below, the undersigned acknowledge that each has read, understands and has received a copy of this Wire Fraud Advisory.

Buyer	 <small>DocuSigned by: #457A4B149/13417A</small>	<u>Christopher Walti</u>	Date	<u>10/4/2016</u>
Buyer	 <small>DocuSigned by: 9641072C5668468...</small>	<u>Jamie Patton</u>	Date	<u>10/4/2016</u>
Seller		<u>Luis Segura</u>	Date	<u>10/06/2016 07:18 PM GMT</u>
Seller	 	<u>Yolanda Segura</u>	Date	<u>10/06/2016 07:20 PM GMT</u>

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WIRE FRAUD ADVISORY (WFA PAGE 1 OF 1)