



# PLANNING DEPARTMENT FY2020-2022 BUDGET & WORK PROGRAM

**Deborah Landis**

Deputy Director of Administration, January 23, 2020



**San Francisco**  
**Planning**

## FY20-22 Budget Overview

- Mayor's Instructions
- Budget Transparency Legislation
- Volume
- Revenue
- Expenditures
- Work Program
- Calendar

# Mayor's Office Budget Instructions



## Budgetary Focus

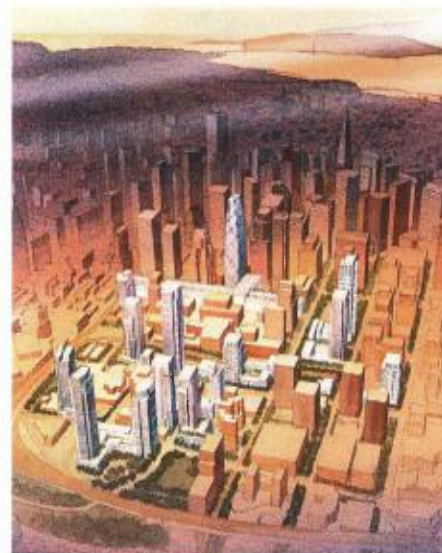
Prioritize housing, shelter, and services for those in need

Healthy and vibrant neighborhoods



## No New Positions

Planning is not proposing new positions



## Financial Joint Report

Two-year deficit of (\$419.5M)

Slowing revenue growth

Rising employee costs



## General Fund Support Reduction

(3.5%) reduction in adjusted General Fund Support in each budget year

## Budget Transparency Legislation

- New requirements for Departments in the FY20-22 Budget Cycle
- Must hold one public meeting regarding budget before February 14<sup>th</sup>
- Allow public comment and collection of written feedback before, during, and after the meeting
  - Written feedback can be sent to [Deborah.Landis@sfgov.org](mailto:Deborah.Landis@sfgov.org)
- Controller will create and maintain a centralized website for relevant budget documents

## 10 Year Volume & Current Year Projection




## Revenue Budget FY20-22

Revenues (All Funds)	FY19-20 Adopted Budget	FY20-21 Proposed Budget	FY21-22 Proposed Budget
Charges for Services	\$42,890,072	\$44,900,210	\$42,892,945
Grants & Special Revenues	\$1,670,000	\$2,555,000	\$1,055,000
Development Impact Fees	\$3,459,892	\$4,267,693	\$3,767,693
Expenditure Recovery	\$2,132,371	\$2,231,227	\$2,231,227
General Fund Support	\$5,513,149	\$7,802,784	\$8,598,402
<b>Total Revenues</b>	<b>\$55,655,484</b>	<b>\$61,756,914</b>	<b>\$60,969,182</b>

## Expenditure Budget FY20-22

Expenditures	FY19-20 Adopted Budget	FY20-21 Proposed Budget	FY21-22 Proposed Budget
Salaries & Fringe	\$38,655,168	\$40,943,713	\$42,075,641
Overhead	\$656,755	\$656,755	\$656,755
Non-Personnel Services	\$3,139,484	\$4,352,687	\$4,663,687
Materials & Supplies	\$555,065	\$671,065	\$471,065
Capital & Equipment	\$10,475	\$30,660	\$0
Projects	\$5,366,988	\$6,848,107	\$4,848,107
Services of Other Departments	\$7,281,549	\$8,253,927	\$8,253,927
Total Expenditures	\$55,665,484	\$61,756,914	\$60,969,182

# Work Program Overview



#	Work Program Activity	Adopted FY19-20 Budget	Proposed FY20-21 Budget	Proposed FY21-22 Budget
1	Current Planning	76.16	74.51	74.40
2	Citywide Planning	48.01	47.39	47.36
3	Environmental Planning	44.17	43.77	43.74
4	Zoning Administration & Compliance	14.83	15.09	15.09
5	Administration	53.97	56.77	56.94
Total		237.14	237.53	237.53

# Budget Calendar **FY20-22**

Date

Work Program Activity

01/15	Draft budget and work program review with the Historic Preservation Commission
01/23	Draft budget and work program review with the Planning Commission
02/05	Request recommendation of approval of the budget and work program with the Historic Preservation Commission
02/13	Request approval of the budget and work program with the Planning Commission
02/21	Budget Submission to the Mayor
06/01	Mayor's Proposed Budget is published
July 2020	Budget considered at Board of Supervisors

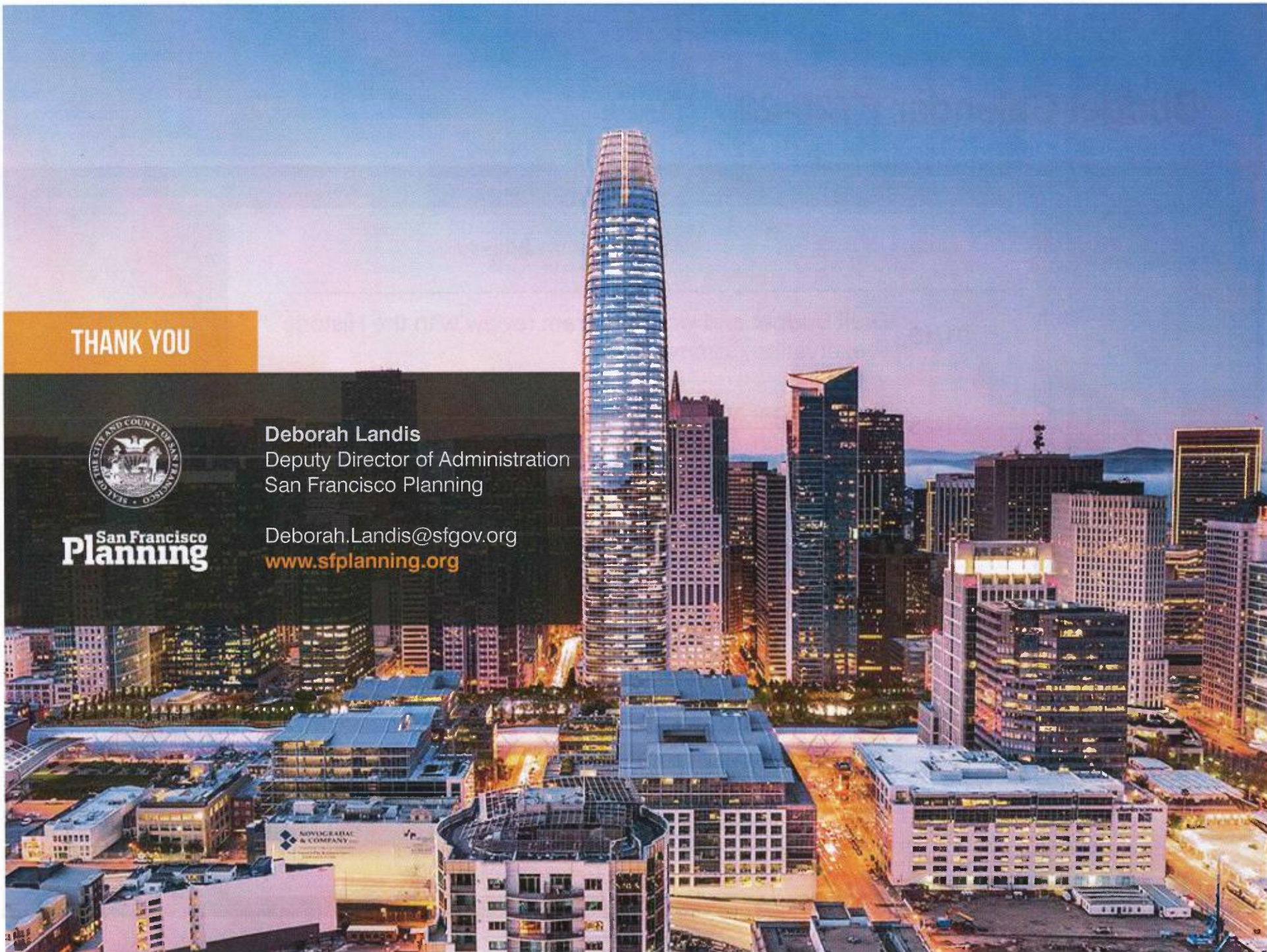
THANK YOU



**San Francisco  
Planning**

**Deborah Landis**  
Deputy Director of Administration  
San Francisco Planning

Deborah.Landis@sfgov.org  
[www.sfplanning.org](http://www.sfplanning.org)



received at OPC Hearing 1/23/20  
D. Winslow

1526 MASONIC DR REQUEST FOR MODIFICATIONS

TO SPONSOR'S PROPOSAL

Neal Schwartz on behalf of DR Requesters Dorothee and Matt Fisher, 1524 Masonic Ave.

WE REQUEST THAT:

1.

THE COMMISSION DENY THE VARIANCE AND REQUIRE THE SPONSOR TO WORK WITH STAFF TO RELOCATE THE PROJECT WITHIN THE **PLENTIFUL ALLOWABLE BUILDABLE AREA.**

2.

THE COMMISSION REQUIRE **10' PROPERTY LINE SETBACK** AT MINIMUM FOR ANY STRUCTURE IN THE REQUIRED REAR YARD TO ALLOW FOR SUFFICIENT LANDSCAPE SCREENING.

3.

THE COMMISSION **LIMIT THE STRUCTURE TO 12'** IN HEIGHT AND REQUIRE THE REMOVAL OF THE 14' -5" SECOND STORY STORAGE LOFT.

4.

THE COMMISSION **ADDRESS THE CONCERNS** ABOUT THE REQUIRED COMMUNITY REVIEW PROCESS, AS WELL AS THE MISREPRESENTATIONS OF THE PROJECT'S SCOPE, IMPACT AND BUDGET.

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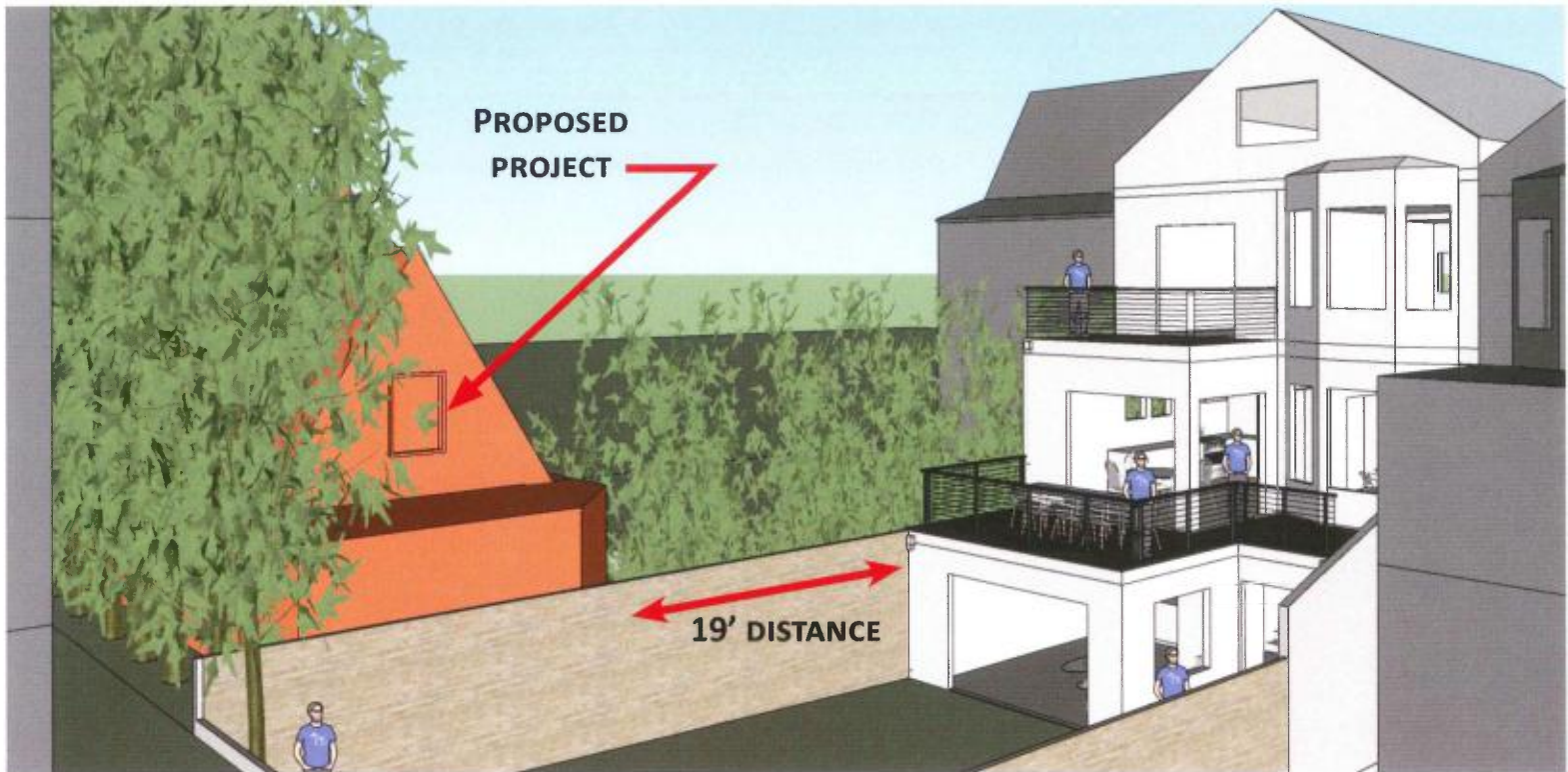
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**1524 MASONIC AVE.  
BLOCK/ LOT - 2616/031  
1 UNIT/ 3 STORY**

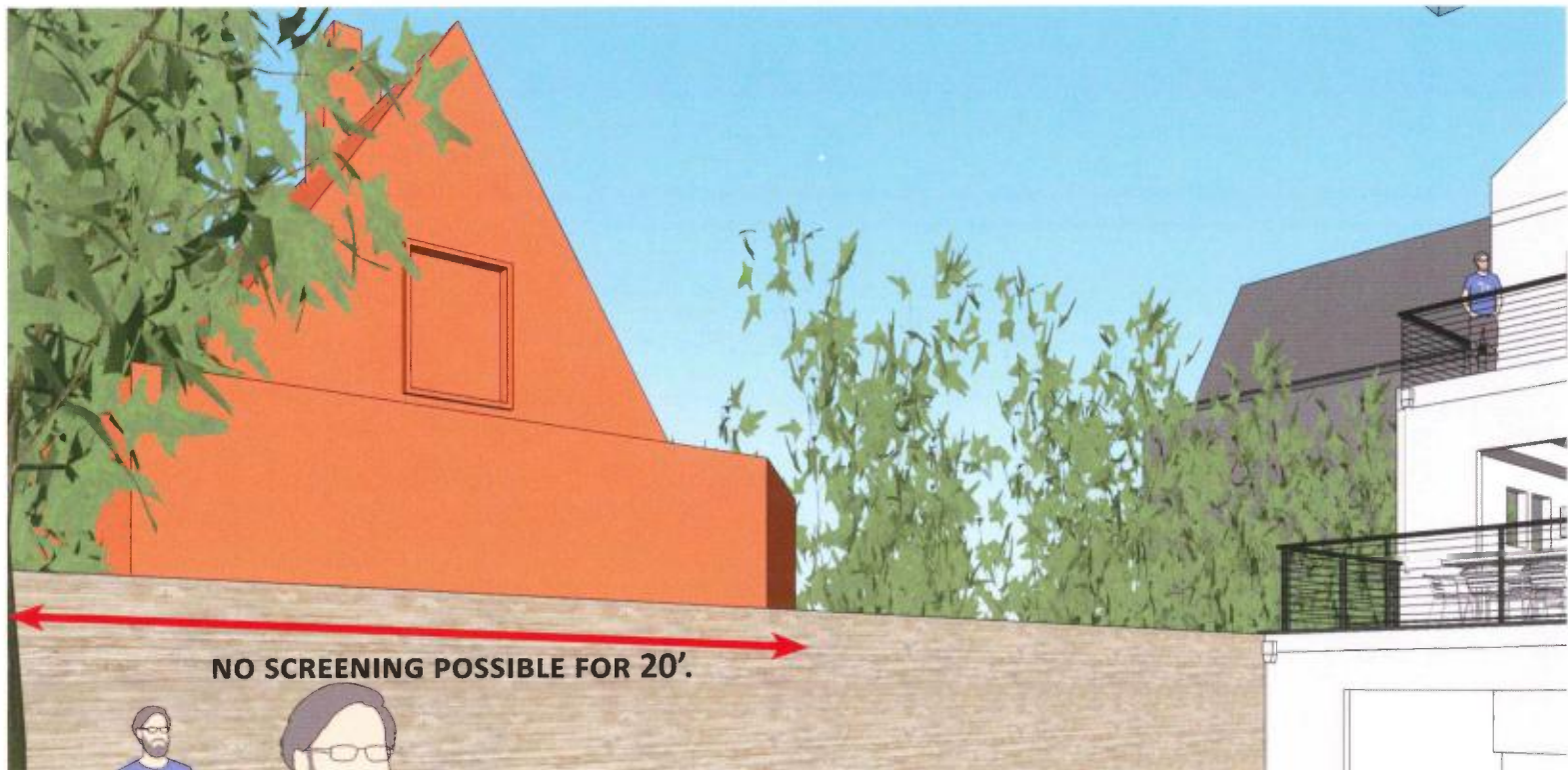


THE PROJECT HAS ZERO SETBACK FROM THE PROPERTY LINE  
AND IS ONLY 19' FROM THE FISHER'S HOME.



OVERVIEW OF THE FISHER'S HOME AND YARD

WITH ZERO SETBACK FOR PLANTINGS, NO AMOUNT OF LANDSCAPING CAN  
SCREEN THE PROJECT FROM THE FISHER'S HOME AND YARD.



VIEW FROM REAR OF YARD

EVEN WITH A NEW 20' HIGH LANDSCAPE SCREEN, THE PROJECT NEGATIVELY AFFECTS THE FISHER'S PRIVACY.



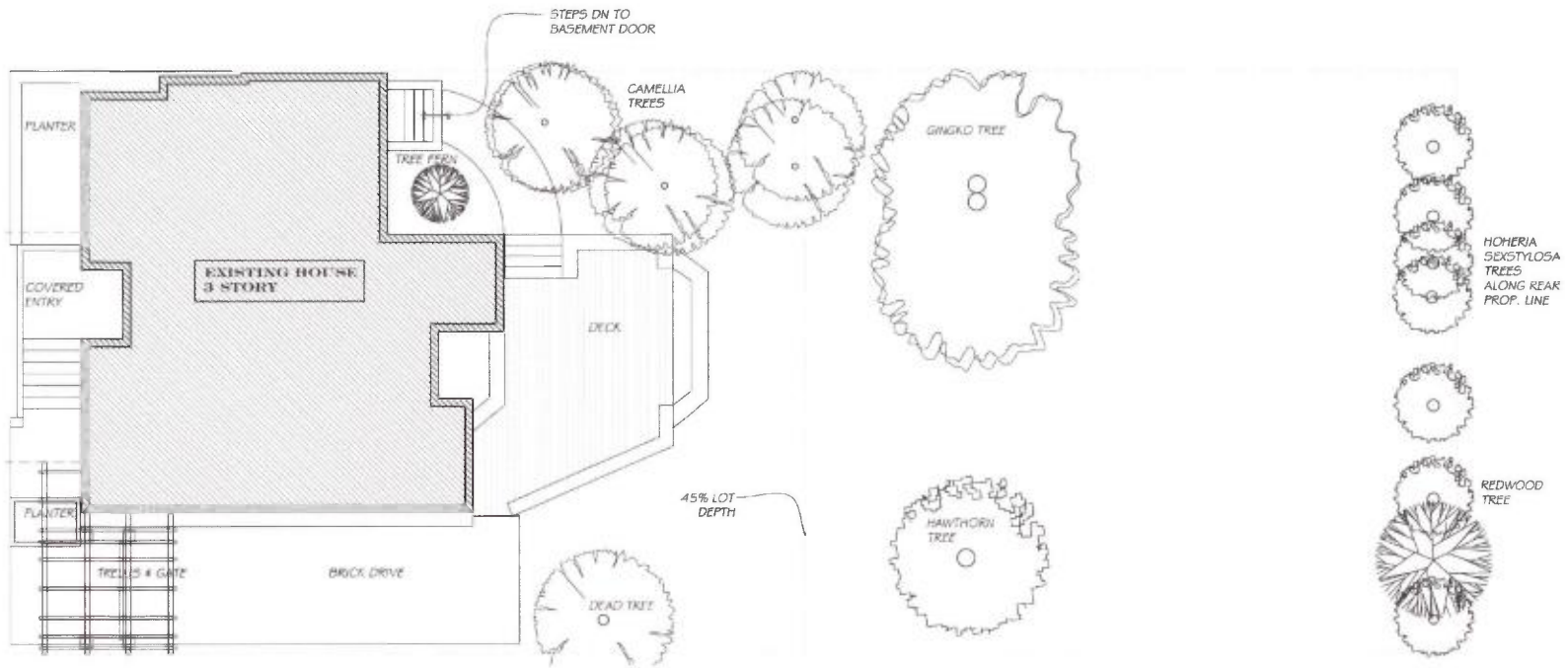
VIEW FROM MASTER BEDROOM DECK

THERE IS NO PLACE IN THE FISHER'S YARD THAT IS NOT IMPACTED BY THIS 2-STORY BUILDING WITH NO SETBACK.



VIEW FROM LOWER FLOOR

THIS IS THE SPONSOR'S DOCUMENTATION OF THE EXISTING TREES ON THEIR PROPERTY, A DRAWING USED TO SUBSTANTIATE THEIR CLAIM THAT NO TREES WILL BE REMOVED BY THE PROJECT.



THIS IS A RECENT IMAGE OF THE ACTUAL CONDITIONS WITH THE SPONSOR'S VERSION OF THE EXISTING TREES SHOWN IN RED..



# AFFIDAVIT OF CONDUCTING A PRE-APPLICATION MEETING, SIGN-IN SHEET AND ISSUES/RESPONSES SUBMITTAL

I, Jeremy Paul, do hereby declare as follows:

1. I have conducted a Pre-Application Meeting for the proposed new construction, alteration or other activity prior to submitting any entitlement (Building Permit, Variance, Conditional Use, etc.) in accordance with Planning Commission Pre-Application Policy.
2. The meeting was conducted at 1526 Masonic (location/address) on October 2, 2018 (date) from 6:30pm (time).
3. I have included the mailing list, meeting invitation and postmarked letter, sign-in sheet, issue/response summary, and reduced plans with the entitlement Application. I understand that I am responsible for the accuracy of this information and that erroneous information may lead to suspension or revocation of the permit.
4. I have prepared these materials in good faith and to the best of my ability.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

EXECUTED ON THIS DAY, Jan 2, 2019 IN SAN FRANCISCO.

Signature

Jeremy Paul

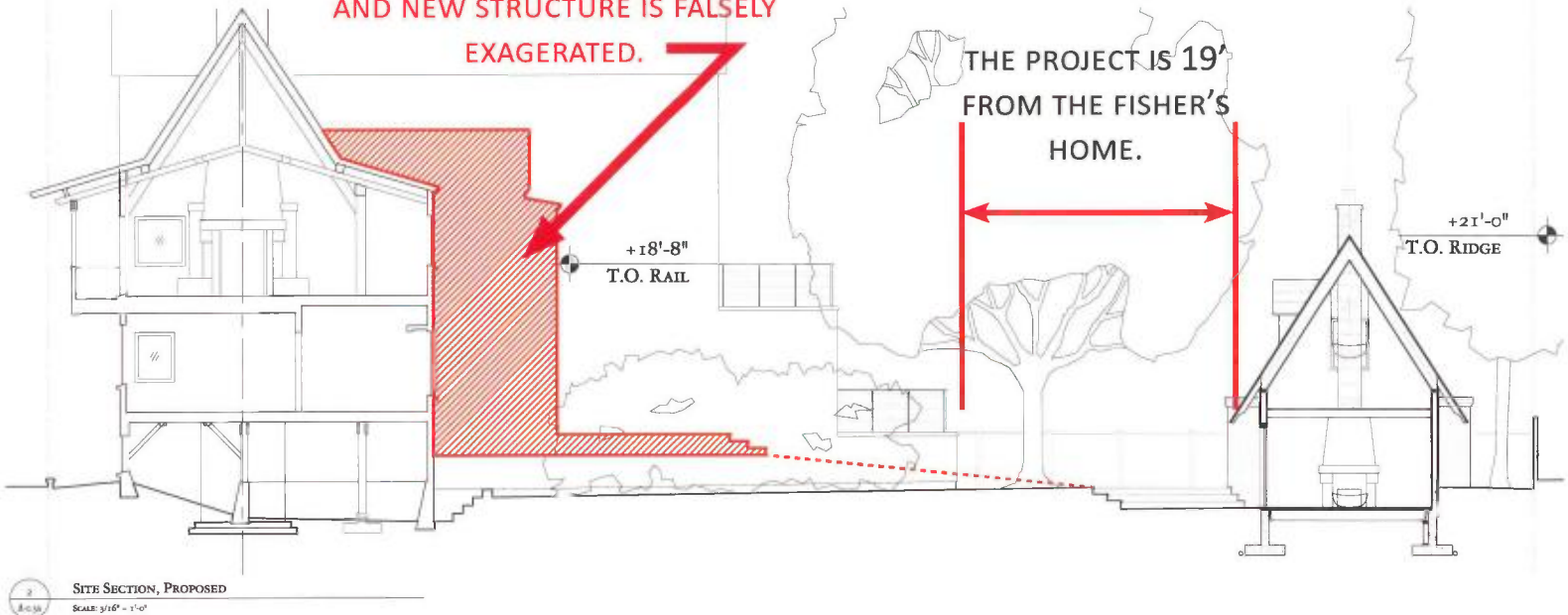
Name (type or print)

THE FISHER'S LETTER OF DETAILED CONCERNS GIVEN TO THE SPONSOR AT THE COMMUNITY MEETING WAS ENTIRELY WITHHELD FROM THE APPLICATION, AS WERE THEIR VERBAL CONCERNS.

MULTIPLE REQUESTS TO DISCUSS THE PROJECT WITH PLANNING STAFF PRESENT WERE DENIED, WITH THE EXPEDITOR FALSELY STATING THAT SUCH A MEETING WOULD TAKE MONTHS TO SCHEDULE.

THE SPACE BETWEEN THE HOME AND NEW STRUCTURE IS FALSELY EXAGGERATED.

THE PROJECT IS 19' FROM THE FISHER'S HOME.



SPONSOR PAID CITY PERMIT FEES BASED ON THEIR CLAIMED PROJECT COST OF \$187,000, +/- \$250 PSF. ACTUAL CONSTRUCTION COSTS FOR A COMPARABLE PROJECT ARE THREE TO FOUR TIMES THIS, THUS COSTING THE CITY AND SAVING THE SPONSORS THREE TO FOUR TIMES THE PROPER PERMIT FEES.

## Permit Details Report

Report Date: 10/10/2019 9:50:04 AM

Application Number: 201906052567

Form Number: 2

Address(es): 2616 /039 /0 1526 MASONIC AV

Description: TO ERECT A ONE-STORY, TYPE 5B, SINGLE FAMILY REAR BUILDING W/ ONE BASEMENT AT REAR OF THE LOT. FRONT SFD BUILDING REMAIN.

Cost: \$187,000.00

Occupancy Code: R-3

Building Use: 27 - 1 FAMILY DWELLING

1526 MASONIC: EXHIBIT 6

**DISCRETIONARY REVIEW PUBLIC (DRP) HEARING COMMENTS: 1526 Masonic Avenue**

**(EXHIBIT #1)**

*Dorothee Fisher:*

*We are Dorothee and Matt Fisher, adjacent neighbors to the Sponsors, the Hurlbuts. We are very supportive of their desire to add space to their beautiful home, but ask the Commission to further modify staff's recommendations to lessen the impact on our home and neighborhood's protected mid-block open space.*

*Neal Schwartz, AIA will comment on our behalf. He is a local architect, as well as a Professor at the California College of the Arts, focusing on teaching Professional Practice. He is also the Founding Chair of the AIA SF **Public Policy and Advocacy Committee**, through which he has worked with senior planning staff to advocate for the fair, consistent and reliable application of design review procedures, which we know is also the Department's goal.*

*Neal Schwartz, AIA:*

**First, we ask that the Commission require the project be relocated to the site's plentiful allowable buildable area, while recognizing that both the Hurlbuts and Staff thus far have not been open to this modification.**

**Second, we ask that any new structure allowed in the required rear yard have a 10' setback for landscape screening, consistent with the stated goals of Staff and the Sponsor.**

**Third, we ask that the building be limited to 12' in height to reduce the impact on the mid-block open space. The second story loft is non-essential yet adds over 14' to the building's height and negative impact.**

The Sponsors have declined to consider each of these reasonable modifications, despite multiple requests and attempts for discussion.

**Further, we have thoroughly documented our concerns about the validity of the community review process and inaccuracies in the project application, concerns we feel warrant Commission attention.**

**(EXHIBIT #2)**

**Staff states the project enables the addition to the house without compromising the historic resource.** Yet this observation ignores that an equally-sensitive response could be found within the allowable area, which you see here in red. This is an historic home on a double-wide and extra-long lot with over 2,000 square feet of available building area.

The project could be designed in a code-compliant location, meeting all design review and CEQA historic guidelines, without ever touching the existing home and with no need for a Variance. In all my experience the Variance process is turned to only **after** Planning determines that a code-compliant solution is not possible due to some extraordinary and exceptional circumstance.

Approval of this project would set a new, unfair standard allowing owners of historic homes to build anywhere they choose, without first attempting a code-compliant solution, as we see here. We believe this precedent would expand the property rights of our City's most privileged, releasing them from the need to follow the basic rules that apply to all other regular homeowners.

Further, Staff states that the project is being supported because it mitigates the impact of the apartment building directly behind the Hurlbuts. Unfortunately, this mitigation benefits the Hurlbuts solely. For the rest of the neighborhood, this 2-story building only exacerbates the negative impacts of non-compliant structures in the rear yard.

**(EXHIBIT #3)**

Staff acknowledges the importance of landscape screening and a proper survey, which we completely agree with. The Hurlbuts opted for a 12' setback at the opposite side and a 6' setback at the rear, yet at the property most in need of landscape screening, there is zero. The zero setback in fact literally precludes achieving Staff's recommendation.

The Hurlbut's permit expeditor has assured me repeated that with proper landscape screening the Fisher's would not even be able to see the project we would grow to absolutely love it after it was built. We are relieved and applaud this intent and simply ask the Commission to articulate modifications to ensure that the project can meet this communal goal.

**(EXHIBIT #4)**

The Sponsors argue that there are extraordinary and exceptional circumstances that require the project's non-compliant location. But what extraordinary circumstances then also require the addition of a 14' -5" extra story just for storage? A lower structure with less impact could serve the Hurlbut's needs, while also avoiding the stylistic pitfalls of competing with the beautiful Maybeck structure with a faux historical replica, something CEQA specifically cautions against.

**(EXHIBIT #5)**

This is how the Hurlbuts' plans represents the existing trees in their application, showing no existing vegetation in the exact location of the structure and stating that no trees will be removed by the project. Compare this to a recent image of the actual current site for a sense of the difficulty we had had assessing the true impact of the project.

**(EXHIBIT #6)**

The pattern of misleading information about the process from the permit expeditor and inaccurate representations of the project from the designers has been well-documented for staff and the Commission in the DR application. In addition, the Hurlbut's permit expeditor cautioned me several times that we should drop our DR Request, not because of any willingness on their part to make modifications to the location, setback or height of the project, but rather because he was extremely confident he would prevail in front of this body.

We support the Hurlbut's desire to add to their property and would in fact wholeheartedly support a much larger addition if it were located in the code-compliant available allowable building area on their property.

**In order to meet the stated goals of staff and the Hurlbut's themselves, we are simply asking the Commission to require the modifications to the project we have outlined in a good-faith effort to minimize the very real negative impacts on neighbors and the mid-block open space.**

**DISCRETIONARY REVIEW PUBLIC (DRP) ADDITIONAL COMMENTS: Neal Schwartz**

In meeting with the Sponsor and Planning staff, Staff's very first question was "Who is this project hurting"? I would like to respond to this.

At the level of the immediate **neighbors**, I believe we have documented the negative impact on privacy, light, and the peaceful enjoyment of the Fisher's home and open space, over which the project looms unnecessarily.

At the level of the **neighborhood**, the proposal negatively impacts the established mid-block open space pattern and serves only to exacerbate the already negative impact of adjacent non-conforming structures to the rear, adding insult to injury.

For **city-wide** policy, approval of this proposal would establish a new precedent for property rights for an elite segment of historic home owners, not available to the vast majority of others. The Sponsor's main argument is that the very presence of their historic home allows them the right to circumvent the Planning codes and guidelines by using the Variance process.

And most broadly, at the **community** level, each time a property owner, their designers and expeditors adopt the strategy of inaccurate documentation, the negative impacts affect us all and further challenge the Planning Department in the administration of consistent, reliable and fair project reviews.

This project comes down to one thing; the owner of a beautiful historic home on the largest lot in the neighborhood with a surplus of developable area, wish to use the Variance process to be allowed great flexibility in the development of their property rather than be subjected to the rules that the rest of regular homeowners must design to. The extraordinary blessing of owning an historic home does not create the extraordinary property rights protections of the Variance.

Partial History of our efforts to engage in productive discussion with the Sponsor:

10/4/ 18: attended community meeting and provided feedback on project in form of letter to be submitted but letter was omitted and feedback was silenced.

10/28/18: Email Jeremy for the plans. Told the plans were not ready and would be in 1 week.

11/13/18: Email Jeremy for the plans again. Was told they were not ready. Was told they would be emailed as soon as they planned to move forward. Never heard back so assumed they were not moving forward. Then got notice from planning department

11/18/19: Neal, Jeremy, and David Winslow meet. Jeremy did not follow up on any action items from the meeting.

# D A V I D   B A S S A N   A I A

January 22, 2020

To: San Francisco Planning Department Commissioners

Re: 1526 Masonic Avenue, San Francisco  
Discretionary Review Application

Case: 2019-003900DRP

Permit: 2019.0605.2567

Dear Commissioners:

I have been a resident of 1520 Masonic on and off for many decades, having lived there continuously from 1968 to 1983, and then again from 2013 to the present.

I am writing to express my objection to the planned addition of a new structure in the rear yard of 1526 Masonic Avenue.

## 1. Gargantuan Apartment Building Behind Site:

Unlike most residential neighborhood blocks in San Francisco, this particular block has an unusual characteristic that has not been sufficiently identified or addressed. In the lot immediately behind the Maybeck house at 1526 Masonic is a gargantuan, blockbuster apartment building.

Although the submittal documents in your packet do refer to it as an apartment building at 555 Buena Vista Avenue West, the documents are technically incorrect in describing it as an 8-story building (on Sheet A0.2). Because there are 8 stories of apartments OVER a garage level, the actual height of the structure is 9 stories.

Thus, the sheer size and scale of this structure has not been properly represented, evaluated or understood.

In addition to being completely out of scale with any other building on this block - or indeed, on any other nearby block in the neighborhood - this apartment behemoth completely dwarfs and overwhelms every other building in its vicinity. It also occupies its entire site, with minimal setbacks at the side yards and, most significantly, at the rear yard.

By occupying its entire site and dwarfing all other buildings in its vicinity, this gargantuan apartment building must radically alter any notion of a "mid-block open space" for this block.

While the Planning Code addresses most typical conditions, it does not take into account the particularly overwhelming character of this particular apartment building on all its neighbors.

This 9-story tall, 2-lot wide structure casts a disproportionately long shadow over its neighbors' yards to the West in the morning, and it completely overwhelms even the largest trees that are situated near it, dwarfing even the Monterey Cypress in the yard immediately behind my own.

The result of the overwhelming and forbidding presence of this hulking structure is to make what little mid-block open space remains all that much more precious - not only to the owners of the individual

1520 MASONIC AVENUE, SAN FRANCISCO, CA 94117  
TEL. 415.471.0266      *icatalyst@earthlink.net*

parcels that abut that site, but to all the parcels on the entire block, including the parcel where I live.

While the proposal by the Hurlburts to build an additional structure in their rear yard - a woodworking "loft" that will effectively be a potential additional residential unit - may comply with the letter of a variance, it does not comply with the intent of the Planning Code to preserve the mid-block open space for the beneficial enjoyment of all neighboring parcels.

Just as the Hurlburts enjoy the benefits of their neighbors' 45% open space in their respective rear yards - and it should be noted that their neighbors have abided by the Planning Code's requirements to limit yard rear additions to preserve 45% of their rear yards as open space - so too should the Hurlburts be obliged to abide by the same consideration of their neighbors' open space.

## 2. Impact on Open Space

It should also be noted that it was highly disingenuous for the Project Sponsor - through the writing of the Authorized Agent Jeremy Paul - to state on the Response to Discretionary Review that "The proposed cottage does not create any significant impact on the mid-block open space." It will make a huge impact on what little precious open space has remained since the construction of the 9-story apartment block behind 1526 Masonic, which occurred long after the construction of either the Maybeck house or the other adjacent single family homes (approximately 1905).

## 3. Benefit of Other Location

It was also disingenuous for the Project Sponsor to object to building such a structure "way forward next to the home in a manner which would inappropriately impact this Maybeck without any real benefit," for two reasons.

First, there would be a real benefit - it would preserve the mid-block open space not only for the benefit of the DR requestor to the North, but also for all the residents of this block.

Second, since this Maybeck structure is a private residence, and not open to the public, the rear elevation is invisible to all (except perhaps a few residents of the 9-story blockbuster apartment building). Historically, the Planning Commission has been concerned about the impact on any public view from the street; views of buildings that are concealed or hidden from the street are not relevant.

For all the reasons stated above, I object to the construction of a "woodworking loft" or "Cottage" or any such additional structure at the rear of the 1526 Masonic parcel and strongly urge you, the Commissioners, to reject this application.

Very truly yours,



David Bassan AIA

## EMAIL TO COMMISSIONERS

Hello,

We are next door neighbors of 1526 Masonic Avenue and will be presenting tomorrow (Thursday) at the Discretionary Review regarding the two-story 735 sq foot artist studio proposed to be built in the backyard. We apologize for reaching out this late, but we're new to this process.

We are supportive of artists and fully endorse the development of this structure ***within the plentiful building envelop***. However, the Hurlbuts have declined this option and are applying for a Variance to build it in their backyard. We ask that you decline the Variance tomorrow, given that they can build this project in their building envelop without impacting their home.

The house at 1526 Masonic Avenue was designed by architect Bernard Maybeck and is historically significant. It sits on a double lot and has an extra long yard. The residents (Hurlbuts) would like to build an artist studio for their pottery and boat restoration hobbies in their backyard. The proposed structure measures 20'-4" high x 41'-3" wide x 21'-0" deep. However, the Hurlbuts are uphill from us, so this would actually measure 26' tall from our stance. It would also sit right on our property line. This structure would loom over our property and have a substantial impact on the enjoyment of our home and the shared Mid-block Open Space, which is already impacted by the 40-unit apartment building behind our property.

If you plan to approve the Variance, we ask you please to consider ***approving it with conditions***. We want the Hurlbuts to be successful, but think that this could be done in a better way. We have already proposed these modifications back in November and met with them again this week to see if they'd reconsider the modifications.

Unfortunately, they are not open to these reasonable changes. If the Variance is approved, we ask for the following conditions to be part of the approval:

1. **Most importantly**, a set back from our property line.
  - In the Discretionary Review, David Winslow recommends landscape screening to mitigate the visual impact, and we completely agree. However, the structure is built right on the property line which prevents screening.
  - We ask for a set back of 6' - 10' for landscaping that could accommodate 15' high trees needed for proper screening.
  - This would reduce the impact on the Mid-block Open Space and cut off less light to our property.
2. Limit the height to 12' maximum
  - The structure measures 20'-4" high, but has the impact of a 26' high building, given that we're downhill from the Hurlbuts.
  - There should be enough room on the first story to meet their needs for a pottery and boating studio. We ask that they keep the studio to be single story with a 12' height max.

- The 2nd story is only used to store boats and does not need to be this tall. At a minimum, we ask that the height of the roof is reduced.
3. Keep existing trees
- The Hurlbuts state that no trees will be removed for this project, however, their current plans don't show the most important tree for screening, a 25 foot pittosporum. This tree would have to be removed if the structure were built where it is.
  - We ask that you keep existing trees so that there is as little impact on the mid-block open space as possible and improves screening.
4. Separate approval for Accessory Dwelling Unit
- While this is currently designed as an artist studio, we worry that it will inevitably become an Accessory Dwelling Unit without proper approvals.
  - We ask that there are separate approvals for converting this studio into an Accessory Dwelling Unit or creating this non-living space into a liveable unit (e.g. adding a kitchen, moving in the in-laws, etc)
  - Many houses in the area have enough space in their backyard to create an ADU; we ask that there would be a separate approval should they make this a liveable space.

Again, we are very supportive of the Hurlbuts having an artist studio, but think this can be done in a better way. Given that the Hurlbuts are asking to build where they're not supposed to, they should be building in a way to lessen the impact to neighboring property and be more open to modifications.

We ask that you please consider these modifications should you approve the Variance. Thank you for your consideration.

Kind regards,

Matt & Dorothee Fisher  
1524 Masonic Ave.

Received at CPC Hearing 1/23/20  
B. Hicks

Alliance for a Better District 6  
P.O. Box 420782  
San Francisco, CA 94142-0782

January 14, 2020

SF Planning Department  
1650 Mission Street, Suite 400  
San Francisco, CA 94103

Re: 2019-016523CUA 313 Ivy Street

Planning Department staff:

As Executive Director of the Alliance for a Better District 6, I am writing on behalf of our organization who is in full support of Fig and Thistle Apothecary proposed project at 313 Ivy Street for their Conditional Use Authorization request of their ground floor commercial tenant space to establish and operate a medical marijuana dispensary in our community. Our community needs access for ongoing dispensary services and we feel strongly that 313 Ivy Street is best suited to maintain this type of retail establishment in the San Francisco's Hayes Valley neighborhood.

We appreciate you taking the time to review our thoughts on their Conditional Use Authorization request.

Sincerely,



Letters received  
post packet sent  
only to  
planner.

313 Ivy


Dear Planning Commissioners,

I am writing to show support for 415 Native LLC, a cannabis equity applicant group applying for a conditional use to open up a cannabis retail location at 313 Ivy Street, San Francisco, California 94104. I have known the applicants for a very long time and are familiar with their business practices and commitment to the community.

Owners Mike, Nguey and Angel care about the community they are in and conduct business in an upstanding and respectable manner. They have been given the opportunity to open a cannabis retail location at 313 Ivy Street through the Equity Program, a program designed by the city of San Francisco to foster the equitable participation in the cannabis industry and to help create business opportunities for those negatively impacted by the war on drugs. Mike, is an equity business owner and longstanding member of the community who runs a youth tennis program and works in cannabis advocacy. Nguey and Angel, owners of the Fig and Thistle Market and Wine Bar have been working in small business for over 6 years now in both the food and beverage industry as well as the cannabis industry. They have been friends for over 20 years and are all from the city, together you have a group of people that have already proven their commitment to creating a space both welcomed by the neighborhood and customers alike and dedication to the community and to the betterment of the city. Stay Gold has the ability to provide the same positive impact that their previous projects have delivered.

It is my opinion that this cannabis dispensary will be an asset to the community and I want to support their efforts to provide a safe and welcoming space for cannabis access and education. Please help keep San Francisco special and commerce local by allowing small businesses like this one to operate and thrive in the community.

Sincerely,

  
Signature

1/10/2020  
Date

Printed Name: Edaline Sarmiento

Address: 574 28th ave apt 4 SF CA 94121

Email: edaline@icloud.com

**From:** Tracy Carter  
**To:** Hicks, Bridget (CPC)  
**Subject:** 1/23/20 Hearing - Opposition to 2019-016523CUA - 313 Ivy St.  
**Date:** Wednesday, January 22, 2020 4:02:02 PM

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This message is from outside the City email system. Do not open links or attachments from untrusted sources.

Hello Ms. Hicks,

We are strongly opposed to the proposed cannabis retail use permit at 313 Ivy Street. We own our condominium located across the street at 320 Ivy Street. Our unit's front door is on the street and literally 25 steps from the front of 313 Ivy. We oppose this use for the following reasons:

1. Concern it will negatively impact our property value. Prospective home buyers will likely have an issue being located steps away from a dispensary. It undoubtedly will limit the number of buyers who may be interested and therefore will impact our marketability.
2. We are concerned about the amount of people who may use the product near our front door. This is already an issue with Fig & Thistle. At night, we often have smokers within steps of our windows and door. Frequently, patrons of Fig & Thistle will smoke cigarettes, cannabis or do illegal drugs in the general vicinity of our home. In addition, I've have seen countless people relieve themselves within 50 feet of our front doors. We are concerned this will worsen.
3. Fig & Thistle has not done a great job of managing their patrons in the past. The late night noise and congregation of people outside can be really disruptive. I've tried calling to ask for assistance but no one picks up the phone late night.
4. We are concerned about the added traffic on our narrow one-way street. We already have many who illegally park in our loading zone and double park, making it impossible to drive through to our garage.

While a cannabis store has the right to operate, we believe placement on a predominantly commercial street is more appropriate. Ivy Street is a small, quiet and primarily residential side street.

Please relay our concern at your meeting. Thank you in advance!

Sincerely,

Tracy Carter  
320 Ivy Street

**From:** Taylor Marcus  
**To:** Hicks, Bridget (CPC)  
**Subject:** Opposition To Fig & Thistle Apothecary Given Its Proximity Is Less Than 600 Feet to a School  
**Date:** Wednesday, January 22, 2020 11:22:06 PM  
**Attachments:** Screen Shot 2020-01-22 at 11.18.13 PM.png

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This message is from outside the City email system. Do not open links or attachments from untrusted sources.

To Whom It May Concern,

I am a resident of Ivy Street and opposed to the Fig & Thistle Apothecary opening at 313 Ivy Street because of (1) the proximity to numerous housing developments (including doors that open directly across from private property), (2) the proximity to the International School is less than 600 feet, and (3) an already congested one-way street that faces ongoing traffic challenges.

Ivy is primarily a residential street with the majority (90%+ addresses) being homes, condos or apartments. A residential street should not have dispensaries given zoning considerations. A retail space for adult use should not be acceptable on a residential street. In fact, some states have laws against a dispensary being within 500ft of a home. F&T is literally 5ft from homes, which is unacceptably close.

Also, there are countless children on/around Ivy St given it's a residential street with families and near schools and programs for minors. **The playground of the International School is less than 600 feet from 313 Ivy street. See map attached. Fell & Hayes is 0.1 miles from 313 Ivy St., and this is the school's property.** Young children play here daily.

Also, the current Fig & Thistle operation brings patrons who stay on the premise for extended periods of time, as opposed to increasing the traffic with short visits that a dispensary would promote. Some of SF's worst traffic is in Hayes Valley; a dispensary on a tiny oneway street will drive unwanted congestion that will overflow onto Gough Street because of how close the F&T address is to Gough. This will create a gridlock on one of SF's most popular thoroughfares.

All in all, 313 Ivy Street is a detrimental location for a high-traffic business primarily for adult use/consumption.

Thank you,  
Taylor  
ph: 917-748-4735



Dear Bridget Hicks and Members of the Planning Commission,

I own The Riddler Champagne Bar, located in the same building as Mr.C's proposed cannabis dispensary at 500 Laguna. I would like to express my overwhelming support of his business joining the neighborhood and our building. Having a longtime vacant storefront next door effects neighboring businesses like mine, as well as the quality of life for residents and visitors. I strongly believe this business will help stimulate the Hayes retail corridor, add additional lighting and security to the corner, while providing a needed service not currently offered in the neighborhood.

I have witnessed firsthand the hard work Chris Callaway has put into the storefront. In addition, he has remained active in engaging the community over the last year while obtaining the necessary permits for his cannabis business. I am looking forward to seeing Mr.C's open a thriving cannabis retail business here.

I strongly urge that you approve this permit without delay.

Kind Regards,

Jennifer Pelka

528 Laguna Street

jen@theriddlerbar.com

Letter received post  
packet sent only  
to planner.

500 Laguna.

# Miguel Gutierrez's Opposition to Conditional Use Authorization Request at 9 Apollo Street

Removal of a long term home subject  
to the protections of the San  
Francisco Rent Ordinance

## 9 Apollo Street was purchased as an “Investment Property”

- When the Donnellys purchased the property in or around June 17, 2016 at a discounted amount of \$654,675.00, they did so with the intent of using it as an investment property.
- A true and correct copy of the sales/purchase documents for the Donnellys' purchase of 9 Apollo Street is included with this presentation as Exhibit 1.
- See Exhibit 1, page 1 Winning Bidder Confirmation

# The Owners' true intent regarding 9 Apollo Street

- Exhibit 1, page 20 (Real Estate Purchase Addendum), Par. 4
- “Use of Property: The Purchaser (check one):  
(\_\_\_\_) will (\_\_\_\_) will not use and occupy the  
Property as Purchaser’s primary residence.”
- Defendants checked the 2nd box stating that  
they would not use and occupy the property  
as their primary residence.

# The Owners' knew or should have known the lower unit was occupied

- Exhibit 1, page 29: Disclosure of Superior Court Case CUD-15-653155
- “The Litigation may involve claims or challenges relating to, without limitation, Seller's title, ownership, or possession interests in the Property and claims relating to substandard or illegal conditions existing on or in the Property. Purchaser acknowledges that there may be additional litigation or outstanding code violations related to the Property not listed above. Purchaser is aware that the Property may not comply with the state sanitary code, building code or other applicable laws concerning the condition of the Property. Purchaser agrees that the closing of this sale shall constitute acknowledgement by the Purchaser that Purchaser had the opportunity to retain the advice of an attorney to review the Litigation and other litigation and code violations and Purchaser hereby accepts the premises and title as-is, and agrees to hold harmless Seller, its attorneys and agents, for any liability incurred or loss suffered in connection with the Litigation, the condition of the premises and title of the Property.”
- <https://webapps.sftc.org/ci/CaseInfo.dll?CaseNum=CUD15653155&SessionID=DA3006D0432BB222034EE213F3172047EDEC650A>

# Serial eviction attempts

- This is the fifth attempt at eviction of Miguel Gutierrez and his family.
- After the first attempt failed, the Donnellys claimed that they intended for Sandy Donnelly to move into the lower level unit with their children, despite their knowledge of the poor conditions therein.
- Now the lower unit will be used as a “media room.”
- Shifting narratives over the past three years.

# Housing Crisis

- The existence of a non-conforming accessory dwelling unit is consistent with the use of properties in the neighborhood.
- Mr. Gutierrez and his children, will be displaced from their long-term home if this is approved.
- Consideration of this, and the Owners' true intent with regard to the property (as an investment property), are factors that should weigh heavily on the determination of this demolition.

Exhibit 1 to Miguel Gutierrez's  
Opposition to Conditional Use  
Authorization Request at 9  
Apollo Street

Record No. 2017-011214CUA

Hearing Date: January 23, 2020

Prequal

Yes \_\_\_\_\_

No \_\_\_\_\_

Gatekeeper \_\_\_\_\_

# Winning Bidder Confirmation

## Auction: O-798

<u>Package</u>	<u>Item No.</u>	<u>Winning Bid</u>	<u>Bidder No.</u>
	<b>AZ52750</b>	<b>\$623,500.00</b>	<b>3718761</b>

Have you viewed the property? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Winning Bid Amount: <u>\$623,500.00</u>		<input checked="" type="checkbox"/> SOLD SUBJECT TO SELLER CONFIRMATION	
+ 5.00% Buyers Premium: <u>\$31,175.00</u>		5% Earnest Money Deposit Required	
= Total Purchase Price: <u>\$654,675.00</u>		Earnest Money Deposit = <u>\$32,733.75</u>	
<b>Property Address:</b> <u>9 APOLLO ST</u>			
City:	<u>SAN FRANCISCO</u>	Type:	<u>SFR-Attached</u>
State:	<u>CA</u>	Square Feet:	<u>987</u>
Zip:	<u>94124</u>	Bed Rooms:	<u>3</u>
County:	<u>San Francisco</u>	Baths:	<u>1</u>
<b>Buyer Name:</b> <u>Quintin Donnelly</u>			
Co-buyer Name: <u>Sandy Donnelly</u>			
Company Name: _____			
Mailing Address: <u>51 Tucker Avenue</u>			
City:	<u>San Francisco</u>	State:	<u>California</u> Zip: <u>94134</u>
Home Phone:	<u>415-830-1812</u>	Cell Phone:	<u>415-467-7885</u>
Email:	<u>qedmail@gmail.com</u>	<input checked="" type="checkbox"/> I will be paying cash for my purchase.	
First Time Home Buyer: <input checked="" type="checkbox"/> No <input type="checkbox"/> Owner Occupied <input checked="" type="checkbox"/> Investment <input type="checkbox"/> Second Home			
By signing below, buyer(s) confirm the winning bid amount and total purchase price and agree to the purchase of the subject property as set forth.			
DocuSigned by:			
Buyer's Signature: <u>Quintin Donnelly</u>		Date: <u>5/16/2016</u>	
Buyer's Signature: <u>Sandy Donnelly</u>		Date: <u>5/17/2016</u>	
CPAE30B94371460...			
<b>Broker Name:</b> <u>None</u> (Only if Buyer is represented.)			
Work Phone: _____		Email: _____	
Firm Name: _____		License#: _____	
Broker's Signature: _____		Date: _____	
<b>Lender Name:</b> <u>Cash</u> (Only if Buyer is financing.)			
Loan Amount: _____			
Agent Name: _____		Finance Type: <u>Cash</u>	
Work Phone: _____		Email: _____	

Date Time:

05-16-2016-05:54:50

Online Auction Designated:

No

Total Purchased Price Deposit Required:

No

Auctioneer:

## Wire Instructions

### Closing Company Information

Closing Company Name: SERVICELINK  
Closing Company Address: 1400 CHERRINGTON PARKWAY  
MOON TOWNSHIP, PA 15108  
Closing Company Contact Person: -  
Closing Company Email Address: -  
Closing Company Phone No.: -

### Wire Information

Bank Name: [REDACTED]  
ABA / Routing #: [REDACTED]  
Account Name: Service Link, LLC  
Account No.: [REDACTED]  
Bank Address: [REDACTED]  
Phone: [REDACTED]

Please reference the Auction.com ID and property address:

AZ52750 9 APOLLO ST SAN FRANCISCO CA 94124

#### Additional Notes:

Reference: SL File Number/Property Address being purchased. If you receive NEW wiring instructions on a closing, Notify your closing coordinator IMMEDIATELY by the Phone to Confirm. Servicelink DOES NOT alter its wiring instructions.


 1 MAUCHLY · IRVINE · CA 92618  
 CUSTOMER SERVICE · (800)-793-6107

Auction Event ID

O-798

Auction Date

05-13-2016

**IMPORTANT CONTACT INFORMATION**

<b>Auction Item No.</b>	AZ52750		<b>Loan No. (REO ID)</b>	L1300H1	
<b>Property Address</b>	9 APOLLO ST SAN FRANCISCO CA 94124				
<b>AUCTION.COM Contact:</b>	Customer Service			Tel: 800-793-6107	
<b>Property Managing Agent</b>	ULLON WILLIS, MBA, CPA				
<b>Agent Telephone:</b>	510-610-1766		<b>Agent's Email</b>	ULLON@SBCGLOBAL.NET	
<b>Owner Occupied?</b>	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO		<b>Are you a licensed Agent:</b>	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
<b>Subject To Confirmation?</b>	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		<b>Cash or Financed Sale?</b>	<input checked="" type="checkbox"/> CASH <input type="checkbox"/> FINANCE	
<b>Winning Bid Amount</b>	\$	623,500.00	<b>Total EMD Required</b>		\$ 32,733.75
<b>Buyer's Premium</b>	\$	31,175.00			
<b>TOTAL Purchase Price</b>	\$	654,675.00	<b>Closing Date :</b>		06/17/2016
<b>Buyer's Name</b>	Quintin Donnelly				
<b>Co-Buyer Name</b>	Sandy Donnelly				
<b>Buyer's Mailing Address</b>	51 Tucker Avenue San Francisco, California, 94134				
<b>Buyer's Telephone</b>	415-467-7885		<b>Buyer's Email:</b>	qedmail@gmail.com	
<b>Buyer's Broker/Agent:</b>	None				
<b>Agent's Broker Company</b>					
<b>Agent Telephone</b>			<b>Agent Email:</b>		
<b>Escrow/Closing Agent</b>	SERVICELINK				
<b>Escrow/Closing Agent</b>	FANNIEMAE CLOSING TEAM			<b>Email:</b> SL-REOFMNAUCCNTR@SERVICELINKFNF.COM	
<b>Office Telephone</b>	855-264-4932		<b>Secondary Contact</b>		
<b>Lender Institution</b>	Cash			<b>Tel:</b>	
<b>Lending Officer</b>				<b>Lender Email</b>	

**PROPERTY SOLD AT AUCTION**

1. **CASH.** The seller executed purchase documentation shall be sent to you as soon as available. If you are able to close early, please contact the Escrow/Closing Agent to make arrangements. Obtain from the Escrow/Closing Agent and be prepared to wire the balance due for closing the transaction to the Escrow/Closing Agent as soon as possible. Documents not provided on auction day, for transactions entered into by a legal entity (anything other than a natural person) must be provided to the Escrow/Closing Agent as soon as possible and prior to closing of the transaction.
2. **FINANCING.\*** The seller executed purchase documentation shall be sent to you as soon as available. Contact your lender for details to arrange for your financing and provide all the necessary supporting documents (Proof of Income and Assets – W2, pay stubs, etc). Contact the Escrow/Closing agent to confirm the closing date and confirm receipt of all necessary documents required for closing. Maintain constant contact with your Escrow/Closing Agent and lender; advise Escrow/Closing Agent, lender and auctioneer of any details that would prevent a timely closing and provide your best contact number. **PROMPTLY COMPLY WITH ALL OF THE INSTRUCTIONS FROM YOUR LENDER OR CLOSER. \*FINANCING IS NOT A CONTINGENCY TO YOUR OBLIGATION TO CLOSE.**

**PROPERTY SOLD "SUBJECT TO CONFIRMATION"** - The Escrow/Closing Agent or Auctioneer shall notify you of the acceptance of your winning bid. If accepted, the procedure set forth in the Addendum "Subject To" shall be sent to the address that was provided in the Purchase Agreement with Joint Escrow Instructions.

1. **ACCEPTED BIDS** - see above "Property Sold at Auction" for the next steps. You should call the Escrow/Closing Agent and confirm the closing date.
2. **REJECTED BIDS** - Please see the Addendum "Subject To."



Q. What do you mean by e-Sign?

A. e-Sign is a process by which someone electronically signs a document. In 2000, the Electronic Signatures in Global and National Commerce Act, also known as the E-Sign Act, was signed into law. This law states that any document accepted, executed or agreed to in conformity with such laws will be binding on the parties the same as if it were physically executed. The E-Sign Act, in conjunction with the Uniform Electronic Transaction Act (the "UETA"), was intended to smooth the way for conducting business electronically by giving validity to electronic records and signatures – it is a legally recognized means of entering into a contract.

Q. Why do you want to use an e-Sign process?

A. Auction.com is committed to innovative technologies and processes to better not only its own business activities, but to better the experience for its customers and its clients. Utilizing an e-Sign process continues with this commitment by utilizing technology in ongoing business activities, by minimizing the use materials and products which end up in our landfills and increasing environmental awareness and by utilizing technology which is increasingly becoming part of our everyday lives.

Q. What is the process to e-Sign?

A. We use the DocuSign process for our auctions. DocuSign is the market leader and global standard for electronic signature services. DocuSign's Electronic Signature Platform allows us to complete transactions quickly and securely online while reducing processing costs. It is utilized by Fortune 500 companies worldwide and the choice of Auction.com.

Q. Why do you need a formal e-Sign process?

A. Both federal and state law impose requirements for the use of e-signatures. DocuSign's platform is in full compliance with these laws, establishing the intent to sign and ensuring all legal elements of proof. The comprehensive e-signing process is fully compliant with all relevant legislation and guidelines including the E-Sign Act, the UETA, state laws modeled after the UETA and Gramm-Leach-Bliley. Electronic signatures have the same legal effect as pen-and-ink, as long as they're executed through a process—like DocuSign—that clearly establishes intent to sign and ensures all legal elements of proof.

Q. Why is Auction.com doing this now?

A. The Company, with its commitment to innovative technologies, believes utilizing the e-Sign process helps us do to our part in avoiding the ecological impact of printing, faxing, mailing, and using copier or courier services. Every paperless signature has an environmental impact in saving trees, reducing greenhouse gases and preventing pollution.

Q. How does it work?

A. Upon becoming the winning bidder, you will provide certain information which will be input into the purchase agreement documentation package. Once processed, you will be asked to proceed to a computer and "electronically execute" the documentation. The process is simple and straightforward. At the conclusion of the signing, the documents you executed will be downloaded electronically for you to take with you today. No waiting for copies, no hassle with carrying papers around, no need to remember to organize your documents, and, best of all, good for the environment.

AUCTION ITEM NO. AZ52750 / L1300H1**PURCHASE AGREEMENT- FANNIE MAE**

This Purchase Agreement with Joint Escrow Instructions (this "**Agreement**") is executed by and between the Buyer and Seller, who agree as follows:

**1. KEY TERMS:****A. SELLER:**FANNIE MAE**B. BUYER:**Quintin Donnelly

BUYER PRINTED NAME

Sandy Donnelly

CO-BUYER PRINTED NAME, IF ANY

51 Tucker Avenue

ADDRESS

San Francisco, California, 94134

CITY, STATE, ZIP

Home Phone No.: 415-467-7885Cell Phone No.: 415-467-7885Work Phone No.: 415-830-1812

Fax Phone No.: \_\_\_\_\_

Email Address: qedmail@gmail.com**C. PURCHASE PRICE:**

Total Purchase Price Calculation:

Winning Bid Amount:	\$ <u>623,500.00</u>
plus Buyer's Premium:	\$ <u>31,175.00</u>
<u>equals</u> TOTAL PURCHASE PRICE:	\$ <u>654,675.00</u>
Earnest Money Deposit* from Buyer:	\$ <u>32,733.75</u>

\*Earnest Money Deposit Components:

- ☒ **CHECK BOX** if first property acquired at auction (\*Earnest Money Deposit to be 5% of Total Purchase Price or \$2,500, whichever is greater. First \$2,500 of Earnest Money Deposit shall be in the form of a cashier's check or cash.)
- ☐ **CHECK BOX** if NOT first property acquired at auction (\*Earnest Money Deposit to be 15% of Total Purchase Price or \$5,000, whichever is greater. First \$5,000 of Earnest Money Deposit shall be in the form of a cashier's check or cash.)

**D. PROPERTY:**

Property Address:

9 APOLLO STSAN FRANCISCO, CA 94124

Legal Description of Property: See Exhibit A, the title commitment or preliminary title report (if the legal description of the Property is not attached, is incomplete or is inaccurate, this Agreement shall not be invalid and the legal description shall be completed or corrected to meet the requirements of the title company issuing the owner's title policy prior to the closing of the transaction).

E. CLOSING DATE: 06/17/2016

F. ESCROW/CLOSING AGENT: SERVICELINK / FANNIEMAE CLOSING TEAM  
1400 CHERRINGTON PARKWAY  
MOON TOWNSHIP, PA, 15108  
Telephone: 855-264-4932  
Facsimile: SL-REOFMNAUCCNTR@SERVICELINKFNF.COM

2. **PAYMENT OF PURCHASE PRICE.** Buyer shall pay Seller the Total Purchase Price as follows:

- A. Buyer will deposit with Escrow/Closing Agent identified in *Section 1* above (the "Escrow/Closing Agent") (or cause to be deposited with Escrow/Closing Agent) the Earnest Money Deposit described above in *Section 1* (the "Earnest Money Deposit") on the date Buyer signs this Agreement. The Earnest Money Deposit is to be comprised of (1) a cashier's check or cash in the amount of Two Thousand Five Hundred Dollars (\$2,500) (or Five Thousand Dollars (\$5,000) as may be required by Seller) plus (2) a cashier's check, cash or personal check equal to the difference between the total Earnest Money Deposit minus the value of the cashier's check or cash set forth above.
- B. Prior to the Closing Date as determined under *Section 4* below, Buyer shall deposit with the Escrow/Closing Agent in immediately available funds an amount equal to the balance of the Total Purchase Price, plus Buyer's share of closing costs and pro rations, plus Buyer's expenses provided herein.

3. **OPENING OF ESCROW.** In connection with the Buyer's purchase of the Property, Buyer has the right, under the Buyer's Choice Act, to make an independent selection of the entity that will act as Escrow/Closing Agent and also the title insurer from which Buyer will purchase a lender's title insurance policy. Seller recommends and Buyer agrees to accept the services of the Escrow/Closing Agent and title insurer recommended by Seller. Therefore, in consideration of Seller paying for and providing the Owner's Policy of Title Insurance, Seller and Buyer shall open an escrow account related to this Agreement for the sale of the Property with the Escrow/Closing Agent designated in *Section 1* above (this "Escrow") immediately upon execution of this Agreement by the Buyer by depositing a copy of this Agreement with the Escrow/Closing Agent. This Agreement shall constitute joint Closing instructions to the Escrow/Closing Agent who shall handle and close this transaction as set forth herein. Escrow shall be "open" upon the occurrence of the following: (A) Escrow/Closing Agent has received this Agreement and Real Estate Purchase Addendum (Auction) executed by Buyer; and (B) Escrow/Closing Agent has received the Earnest Money Deposit from Buyer.

BUYER'S INITIALS AD SD

4. **CLOSE OF TRANSACTION.**

- A. **CLOSING DATE.** The closing shall take place on or before the date set forth in *Section 1E* above. In the event Seller is unable to conduct the Closing on or before the original Closing Date, then such Closing Date shall be automatically extended for thirty (30) days; provided, however, that Seller, Seller's agent, or the Escrow/Closing Agent may give Buyer written notice during such thirty (30) day period that it is ready to close and such closing shall occur within five (5) days following the written notice. Escrow/Closing Agent is instructed to close Escrow on such dates set forth subject to each of the following:

- (1) If Seller is unable to deliver insurable title to Buyer as required in this Agreement and the Real Estate Purchase Addendum (Auction) at or prior to the Closing Date, then Escrow shall not close and the closing shall not occur, in which case such inability shall be deemed no fault of Seller, and Seller may cancel the transaction contemplated by this Agreement.
- (2) If this Agreement has not been cancelled or terminated as permitted elsewhere herein or in the Real Estate Purchase Addendum (Auction).
- (3) If the Closing Date is extended pursuant to an Addendum to this Agreement or mutual escrow instructions executed by both Seller and Buyer, then Escrow/Closing Agent shall close Escrow on the Closing Date as so extended.

B. **CONDITIONS PRECEDENT.** The Closing Date is further subject to each of the following conditions precedent (the failure of any of which shall not, in and of itself, relieve any party of its obligations set forth elsewhere in this Agreement): (1) Seller shall not have given written notice to Escrow/Closing Agent that Buyer is in default of this Agreement, and (2) the Title Insurance Company (the "*Title Company*") shall have irrevocably committed to issue to Buyer an owner's policy of title insurance covering the Property showing liability in the amount of the Purchase Price and showing insurable title to the Property vested as stated by Buyer, subject to any and/or all of the following (the failure of which shall not be deemed a default of Seller):

- (1) Title Company's standard exceptions.
- (2) The following encumbrances and other matters:
  - (i) Liens for all current general and special real property taxes and assessments not yet due and payable;
  - (ii) Covenants, conditions, restrictions, reservations, rights, rights of way, and easements of record, if any;
  - (iii) The lien of supplemental taxes, if any assessed pursuant to the provisions of Chapter 3.5 (commencing with Section 75) of the Revenue and Taxation Code of the State of California;
  - (iv) New First Trust Deed (if any) to be recorded;
  - (v) The standard exceptions in the printed form of the CLTA or ALTA Standard Coverage Owner's Title Insurance Policy or Lender's Title Insurance Policy and any other exceptions or other matters contained or disclosed in the preliminary title report with respect to the Property;
  - (vi) Any state of facts an accurate survey and/or a personal inspection of the Property may disclose;
  - (vii) Any laws, regulations, ordinances (including, but not limited to zoning, building and environmental) as to the use, occupancy, subdivision or improvement of the Property adopted or imposed by any governmental body, or the effect of any noncompliance with or any violation thereof, including but not limited to any disclosure and/or report required by ordinance;
  - (viii) Rights of existing tenants and/or occupants of the Property, if any; and,
  - (ix) All other matters of record for which the Title Company agrees to provide insurance at no additional cost to the Buyer.

## 5. **DISCLOSURES.**

- A. Buyer acknowledges that the purchase of the Property may have resulted from a transfer made by a beneficiary under a deed of trust who acquired the Property at a sale conducted pursuant to a power of sale under a deed of trust, or deed in lieu thereof, as described in California Civil Code §§1102.2(c) and 1103(a)(2). Therefore, Seller is exempt from requirements regarding the making of certain disclosures, including without limitation disclosures under the Real Estate Transfer Disclosure Statement (see Civil Code §1102, et. seq.), and under the Natural Hazards Disclosure Statement (see Civil Code §1103, et. seq.). As a result, any rights Buyer may have had in connection with such Disclosure Statements under California law shall not be available including without limitation any right to terminate this Agreement under Civil Code §1102, et. seq. Further, regardless of how Seller

obtained title, Seller is not familiar with the condition of the Property, other than as may be disclosed in any inspection reports obtained by or on behalf of Seller, Seller's representatives or agents or that Seller may have received otherwise. Any such reports furnished by Seller or its agents in connection herewith shall be for informational purposes only, are not made part of this Agreement, and Seller makes no representations or warranties about their accuracy or completeness. Buyer acknowledges that in consideration of Seller's execution of this Agreement, Buyer, on behalf of itself and all other parties having any Claims, covenants that neither Buyer nor any such other party will sue, commence, prosecute or in any way participate in any judicial, administrative, or other regulatory proceedings for breach of contract based on any disclosures relating to any alleged breach or violation of any state law, rule or regulation by Seller, or any other party engaged on Seller's behalf, including, without limitation any real estate broker or agent representing Seller.

**B. OTHER DISCLOSURES.**

- (1) **ASSESSMENTS.** If the Property is subject to a special assessment lien imposed by a public body payable in installments which continue beyond Closing, the Buyer shall be responsible for and pay any and all amounts which become due after Close of Escrow.
- (2) **RADON.** Radon is a naturally occurring radioactive gas that when accumulated in a building in sufficient quantities may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines may have been found in buildings in the state where the Property is located. Additional information regarding radon and radon testing may be obtained from your county or state health unit. Buyer represents and warrants that he/she/it has not relied on the accuracy or completeness of any representations that have been made by the Seller and/or Seller's broker or auctioneer as to the presence of radon and that the Buyer has not relied on the Seller's or Seller's broker's failure to provide information regarding the presence or effects of any radon found on the Property. Real estate brokers and agents are not generally qualified to advise buyers on radon treatment or its health and safety risks.
- (3) **MOLD.** Mold is naturally occurring and may cause health risks or damage to property. If Buyer is concerned or desires additional information regarding mold, Buyer should contact an appropriate professional. Real property (including, but not limited to, the basement) is or may be affected by water or moisture damage, toxic mold, and/or other environmental hazards or conditions. Seller further advises Buyer that as a consequence of possible water damage and/or excessive moisture, the Property may be or has been irrevocably contaminated with mildew, mold, and/or other microscopic organisms. Buyer is being advised that exposure to certain species of mold may pose serious health risks, and those individuals with immune system deficiencies, infants and children, the elderly, individuals with allergies or respiratory problems, and pets are particularly susceptible to experiencing adverse health effects from mold exposure. Buyer acknowledges that Seller has advised Buyer to make his/her own evaluation of the Property and to have the Property thoroughly inspected. Buyer has been further advised by Seller that all areas contaminated with mold, and/or other environmental hazards or conditions, should be properly and thoroughly remediated. Additionally, Buyer has been advised by Seller that habitation of the Property without complete remediation may subject the inhabitants to potentially serious health risks and/or bodily injury. Buyer acknowledges that it is the sole responsibility of Buyer to conduct any remediation on the Property. Buyer also acknowledges that Buyer is buying the Property AS IS, WHERE IS, WITH ALL FAULTS AND LIMITATIONS. Buyer represents and warrants to Seller that Buyer has made his own inspection and evaluation of the Property to Buyer's complete satisfaction and Buyer accepts the Property AS IS, WHERE IS, WITH ALL FAULTS AND LIMITATIONS at the time of Closing. Buyer is electing to purchase the Property from Seller in an AS IS, WHERE IS, WITH ALL FAULTS AND LIMITATIONS condition with full knowledge of the potential condition of the Property, the potentially serious health risks, and the potential liability that Buyer could incur as the owner of the Property for claims, losses, and damages arising out of any toxic mold contamination, and/or other environmental hazards or conditions on the Property. Buyer agrees that the purchase price of the Property reflects the agreed upon value of the Property AS IS, WHERE IS, WITH ALL FAULTS AND LIMITATIONS taking into account the aforementioned disclosures.

- (4) **LEAD-BASED PAINT DISCLOSURE.** If the Property was built prior to 1978, the Seller shall (i) notify the Buyer of any known lead-based paint ("**LBP**") or LBP hazards in the Property; (ii) provide the Buyer with any LBP risk assessments or inspections of the Property in the Seller's possession; (iii) provide the Buyer with the Disclosure of Information on LBP and Lead-Based Paint Hazards, and any report, records, pamphlets, and/or other materials references therein, including the pamphlet "Protect Your Family From Lead In Your Home" (collectively "**LBP Information**"). Buyer shall return a signed copy of the Disclosure of Information on LBP and Lead-Based Paint Hazards to Seller prior to Closing of Escrow.

LBP Information was provided prior to Agreement Acceptance and Buyer acknowledges the opportunity to conduct LBP risk assessments or inspections during the Inspections. Buyer hereby waives the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint or lead-based paint hazards.

BUYER'S INITIALS

SD SD

- (5) **PROPERTY TAX DISCLOSURE SUMMARY.** Buyer should not rely on the Seller's current property taxes as the amount of property taxes that the Buyer may be obligated to pay in the year subsequent to purchase. A change of ownership, use, or property improvements may trigger reassessments of the Property that could result in higher property taxes. If Buyer has any questions concerning valuation, Buyer is advised to contact the county property appraiser's office for information.
- (6) **PERMITS AND REPAIRS.** If the Property is located in a jurisdiction that requires a certificate of occupancy, smoke detector certification, septic certification or any similar certification or permit or any form of improvement or repair to the Property (collectively, "**Permits and Repairs**"), Buyer acknowledges and agrees that Buyer shall be responsible for obtaining any and all of the Permits and Repairs at Buyer's sole cost and expense, including but not limited to any certificate of use or other certification required by the ordinance. Buyer shall make application for all Permits and Repairs within ten (10) days of the Seller's Acceptance Date, such date to be the date of execution of this Agreement and any exhibits and addenda hereto. Seller makes no representations or warranties regarding compliance or conformity with any building codes, laws, rules or regulations.
- (7) **CONDOMINIUM/PUD/HOMEOWNERS ASSOCIATION.** If the Property is in a common interest community or planned community, unless otherwise required by law, Buyer acknowledges that Buyer, at Buyer's own expense, was and is responsible for (a) obtaining and (b) reviewing the declaration of covenants, conditions, restrictions and/or bylaws and other documentation regarding such common interest community and Buyer acknowledges that, prior to Buyer's execution of this Agreement, Buyer has reviewed such documentation to the fullest extent Buyer deems necessary and, upon execution of this Agreement, Buyer is deemed to have accepted the declaration of covenants, conditions, restrictions and/or bylaws of the common interest community or planned community.
- (8) **BUILDING AND ZONING CODES.** Buyer should consult the local jurisdiction for information on building and zoning codes or information about transportation beltways and/or planned or anticipated land use within proximity of the Property. Seller makes no representations or warranties regarding compliance or conformity with any building codes, laws, rules or regulations.
- (9) **SQUARE FOOTAGE.** Buyer acknowledges that the square footage of the Property has not been measured by Seller, Seller's broker or its auctioneer (including the square footage of the lot and home) and the square footage quoted on any marketing tools such as advertisements, brochures, MLS data, the auction website and any other information provided is based on information supplied to Seller and is deemed approximate and not guaranteed. Buyer further acknowledges that Buyer has not relied upon any such marketing tool and that such tools are not representations and/or warranties of Seller or its agent. Buyer is buying the Property "As Is, Where Is, With All Faults and Limitations" and acknowledges Buyer's responsibility to perform all

due diligence and investigation regarding Buyer's acquisition of the Property, including the measurement of or confirmation of square footage of the Property.

- C. **RECEIPT OF DISCLOSURES.** Buyer acknowledges and agrees that Buyer has received and/or had adequate opportunity to read and understand all disclosures and documents regarding the Property made available by Seller, Seller's broker or its auctioneer in print or electronic form (the "Disclosures"), prior to entering into this Agreement, including without limitation:
- (1) The "FATCO Combined Hazards Booklet" which contains all of the following: the pamphlet "Protect Your Family From Lead in Your Home", the pamphlet "Homeowners Guide to Earthquake Safety", the pamphlet "Environmental Hazards: A Guide for Homeowners, Buyers, Landlords, and Tenants", and the pamphlet "Home Energy Rating System (HERS)";
  - (2) The documents and information made available on the internet at [www.auction.com](http://www.auction.com);
  - (3) The written disclosures made available at the Property and at the location where the sale of the Property is conducted;
  - (4) Any real estate brokerage relationship disclosures, such disclosures made available and provided to Buyer during the registration process, prior to bidding at auction and prior to entering into any Agreement for the purchase and sale of the Property; and,
  - (5) The disclosures listed herein and on Exhibits attached to this Agreement, which Exhibits are incorporated into this Agreement by reference herein.

Buyer understands and acknowledges that any information provided by or on behalf of Seller with respect to the Property, including without limitation, all information in the Disclosures and the Brochure as defined below was obtained from a variety of sources and that Seller and Seller's broker and auctioneer have not made any independent investigation or verification of such information and make no representations as to the accuracy or completeness of such information. Buyer shall not have the right to cancel this Agreement by reason of any information, facts, condition or other aspect of the Property discovered by Buyer subsequent to Buyer's execution of this Agreement. Buyer further waives the right under 42 U.S.C. § 4852d and any other applicable law to conduct a risk assessment or inspection for the presence of lead-based paint hazards.

- D. **BROCHURE.** Buyer represents and warrants that Buyer has received, read and accepts the terms and conditions pertaining to the sale of the Property which are made available in an auction brochure, if any (the "Brochure"), advertising, or on the auction website, [www.auction.com](http://www.auction.com), which terms and conditions are incorporated herein by reference. In the event of any conflict or inconsistency between the terms and conditions of this Agreement and the terms and conditions of the auction, the terms and conditions of this Agreement shall control and prevail in all respects. Buyer acknowledges that neither Seller nor auctioneer makes any representation or warranty whatsoever in connection with any terms, conditions, warranties and/or representations contained in the Brochure, any advertising, or on the auction website.
- E. **NO REPAIRS.** Buyer acknowledges and agrees that Seller is selling the Property "As Is, Where Is, With All Faults and Limitations" and Seller shall have no liability for or any obligation to make any repairs or improvements of any kind to the Property including but not limited to the inability of Buyer to obtain a certificate of occupancy, certificate of use or municipal code compliance certificate, if required, for the Property. Seller shall comply with laws and ordinances regarding the presence of smoke detector(s), carbon monoxide detectors and/or fire extinguishers required at the Property, if any. Any and all additional smoke detector(s), carbon monoxide detectors and/or fire extinguishers required by local ordinance shall be installed by Buyer at Buyer's cost and expense prior to the Closing Date. In some municipalities, a certificate of occupancy, certificate of use or municipal code compliance certificate may be required in order to transfer and/or occupy the Property. If a certificate of occupancy, certificate of use or municipal code compliance certificate is required to be obtained in order for the Property to be transferred to or occupied by Buyer, Buyer shall obtain such certificate of occupancy, certificate of use or municipal code compliance certificate at Buyer's sole cost and expense. If any

violations at the Property shall be required to be corrected by the municipality or other work performed at the Property to obtain a certificate of occupancy, certificate of use or municipal code compliance certificate, Buyer shall correct and/or perform same at Buyer's sole cost and expense. Seller makes no representation as to whether a certificate of occupancy, certificate of use or municipal code compliance certificate is required or whether the Property may be occupied by Buyer. Buyer shall indemnify, defend and hold Seller harmless from and against all fines, penalties, costs, expenses, claims and liabilities arising out of or relating to Buyer's obtaining or its failure to obtain a certificate of occupancy, certificate of use or municipal code compliance certificate if one is required. This indemnification shall survive the Closing Date and shall not be deemed to have merged into any of the documents executed or delivered at Closing. Seller makes no representations or warranties regarding compliance or conformity with any building codes, laws, rules or regulations.

- F. **PRELIMINARY TITLE REPORT and CC&Rs.** Buyer represents and warrants that Buyer has read, received and approved copies of (1) the preliminary title report or commitment for the Property, (2) the recorded covenants, conditions, restrictions, reservations, rights, rights of way and easements of record, if any, affecting the Property, and (3) any and all other matters disclosed in the preliminary title report or commitment. If a survey is required to close, Buyer shall bear the cost, expense and sole responsibility of obtaining a survey acceptable to the Title Company and any lender.
  - G. **EXECUTION OF DISCLOSURES BY BUYER.** Buyer shall execute, deliver and deposit with Escrow/Closing Agent prior to Closing Date all federal, state and local disclosures concerning the Property that Buyer is required to execute under applicable laws and regulations or required by the Escrow/Closing Agent.
6. **COSTS AND PRORATIONS.**
- A. **PRORATIONS.** The Escrow/Closing Agent shall prorate Closing Costs and Adjustments pursuant to Section 10 of the Real Estate Purchase Addendum (Auction).
  - B. **SELLER'S EXPENSES.** Seller shall pay the premium for the owner's title insurance policy as set forth in Section 38 of the Real Estate Purchase Addendum (Auction) when the Buyer agrees to use the services of the Escrow/Closing Agent as set forth in this Agreement, as well as a title search fee, a Seller's closing fee and Seller's share of prorations as set forth in Section 10 of the Real Estate Purchase Addendum (Auction) and any other fees or taxes that may be imposed upon Seller and that Seller is required to pay pursuant to California law. Except as provided herein, Seller shall not be responsible for any amounts due, paid, or to be paid after the Closing of the transaction. In the event Seller has paid any taxes, special assessments or other fees at or prior to the Closing and there is a refund of any such taxes, assessments or fees after the Closing, and Buyer as current owner of the Property receives the payment, Buyer will immediately submit the refund to Seller. Escrow/Closing Agent is hereby authorized to pay from Seller's proceeds Seller's expenses set forth in this Section.
  - C. **BUYER'S EXPENSES.** Buyer shall pay, notwithstanding state or local custom, all costs of credit reports, loan fees, loan points and other costs of obtaining the New First Mortgage/Trust Deed Loan, lender's title insurance charges for the policy of the lender of the New First Mortgage/Trust Deed Loan, escrow fees and charges unless otherwise required by law or agreed to in writing by Seller, tax service fees, recordation fees for the deed, and any mortgage or deed of trust, any documentary transfer tax, real property transfer taxes or deed tax that may be imposed by the State, County and/or City in which the Property is located, Buyer's share of prorations and charges as set forth in Section 10 of the Real Estate Purchase Addendum (Auction), and first month's condominium/homeowner's association membership fees and assessments, if any, and other closing costs of Buyer. All other costs and expenses, including any cost, expense or transfer tax imposed by any state or local entity not otherwise addressed herein, shall be paid by Buyer. Any and all termite clearances and reports and any inspections required by any lender, and/or repairs recommended or required by any termite and/or property inspection report including, but not limited to, any roof certifications shall all be at the sole cost and expense of Buyer. Buyer authorizes Escrow/Closing Agent to debit the Buyer's account in the amount of Twenty Dollar (\$20.00) fee at the Close of Escrow in the event Buyer fails to deposit with Escrow/Closing Agent a change of ownership statement. The foregoing costs and expenses shall be paid by Escrow/Closing Agent on Buyer's behalf from funds deposited into Escrow by Buyer.

7. **REAL ESTATE PURCHASE ADDENDUM (AUCTION).** Buyer and Seller acknowledge that this Purchase Agreement is being executed concurrently with that certain Real Estate Purchase Addendum (Auction). Pursuant to Paragraph 28 of the Real Estate Purchase Addendum (Auction), in the event there is any conflict between the Addendum and this Purchase Agreement or any escrow instructions or any other documents attached and made part of this Agreement, the terms of the Real Estate Purchase Addendum (Auction) shall take precedence and shall prevail, except as prohibited by law.

8. **AUCTION/SALE PROCESS.** Neither Seller, Seller's broker nor auctioneer is making any representation or warranty as to the manner in which the sale process will be managed. Seller may select the winning bid in its sole and absolute discretion. No obligation to sell shall be binding on Seller unless and until a written contract of sale or purchase agreement is signed and delivered by Seller. Seller may rescind any oral acceptance of a winning bid prior to the execution and delivery of this Purchase Agreement for any reason, including, but not limited to the receipt of a subsequent higher bid or offer to purchase whether such higher bid or offer to purchase was received pursuant to the Auction Terms and Conditions or otherwise.

9. **PROHIBITED PERSONS AND TRANSACTIONS.** Each party represents and warrants to the other that neither it, nor any of its affiliates, nor any of their members, directors or other equity owners (excluding holders of publicly traded shares), and none of their principal officers and employees: (i) is listed as a "specifically designated national and blocked person" on the most current list published by the U.S. Treasury Department Office of Foreign Asset Control ("OFAC"); (ii) is a person or entity with whom U.S. persons or entities are restricted from doing business under OFAC regulations or any other statute or executive order (including the September 24, 2001 "Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism"); and (iii) is engaged in prohibited dealings or transactions with any such persons or entities.

10. **LEGALLY BINDING CONTRACT.** THIS IS A LEGALLY BINDING CONTRACT. IF YOU DO NOT UNDERSTAND THE TERMS AND CONDITIONS, CONSULT LEGAL OR OTHER COUNSEL BEFORE SIGNING. BUYER HAS BEEN ADVISED BY SELLER, SELLER'S BROKER AND AUCTIONEER TO SEEK LEGAL, FINANCIAL, CONSTRUCTION, AIR QUALITY, ENVIRONMENTAL AND/OR PROFESSIONAL INSPECTIONS BY QUALIFIED PROFESSIONALS REGARDING BUYER'S PURCHASE OF THE PROPERTY AND THE TERMS OF THIS AGREEMENT. BY SIGNING THIS AGREEMENT, BUYER REPRESENTS AND WARRANTS THAT HE/SHE/IT HAS CONSULTED WITH, HAD THE OPPORTUNITY TO CONSULT WITH OR WAIVED THE RIGHT TO CONSULT WITH LEGAL OR OTHER PROFESSIONALS BUYER DEEMS NECESSARY.

11. **PROPERTY SOLD "SUBJECT TO" SELLER'S CONFIRMATION.** Buyer(s) and Seller agree this Agreement and Real Estate Purchase Addendum (Auction) are subject to approval by the Seller's management and must be signed by all parties in order to be binding. If Seller does not approve the Agreement and Real Estate Purchase Addendum, then the Escrow/Closing Agent shall return to Buyer(s) any Earnest Money Deposit given by Buyer to Escrow/Closing Agent.

Dated: \_\_\_\_\_

Dated: 5/16/2016

SELLER:

☐ FANNIE MAE

☐ As Agent and Attorney In Fact for FANNIE MAE

BUYER(S) signed by:

*Quintin Donnelly*

SIGNATURE

Quintin Donnelly

For \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

PRINTED NAME:

*Sandy Donnelly*

SIGNATURE

Sandy Donnelly

PRINTED NAME

**BUYER'S AGENT/BROKER (if any):**

Buyer's Agent/Broker hereby represents that he/she has registered prior to the Auction pursuant to the Auction Terms and Conditions as a Registered Agent/Broker, that he/she accepts the Auction Terms and Conditions in their entirety and specifically as to the compensation due to the cooperating Agent/Broker set forth below, if any, and that this is the only compensation Agent/Broker shall receive or is entitled to for this transaction from Seller, Seller's broker or auctioneer. Agent/Broker further represents that he/she is not a principal in the transaction (as such terms are defined in the Auction Terms and Conditions):

None  
PRINTED NAME

BROKERAGE NAME

By:

License Number:

**ESCROW/CLOSING AGENT ACKNOWLEDGEMENT:**

Escrow/Closing Agent acknowledges receipt of a copy of this Agreement and earnest money deposit in the amount of \$  and agrees to act as Escrow/Closing Agent subject to the terms and conditions of this Agreement, the terms of Escrow/Closing Agent's general provisions set forth in Exhibit C, if any, and any supplemental Closing instructions agreed upon by the Parties.

By:

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

SEE PRELIMINARY TITLE REPORT/TITLE COMMITMENT

Please see preliminary title report or title commitment for full and complete legal description.

SELLER INITIALS \_\_\_\_\_

Exhibit A

BUYER'S INITIALS \_\_\_\_\_

DS  
SD

DS  
SD

EXHIBIT B

ADDITIONAL DISCLOSURES

Lead Based Paint - Hazards Disclosure (if pre-1978)  
Agent's Visual Inspection Disclosure (CAR AVID)  
Agent's Inspection Disclosure AUCTION.COM  
FATCO Combined Hazards Booklet  
Fair Housing Disclosure (SEE BELOW)  
Real Estate Agency Relationship (SEE BELOW)  
Meagan's Law (Registered Sex Offender Database) (SEE BELOW)  
Smoke Detector Statement of Compliance (SEE BELOW)  
Water Heater Statement of Compliance (SEE BELOW)

If Applicable:

Death on Property in Last 3 Years

Release of Illegal Controlled Substance Remediation Order ("Drug Lab" Clean Up Order)

**FAIR HOUSING ACT DISCLOSURE.** Under the Federal Fair Housing Act, it is illegal to discriminate in the rental or sale of housing on the basis of race, color, national origin, religion, sex, handicap, or familial status.

**TITLE INSURANCE. IMPORTANT:** IN A PURCHASE OR EXCHANGE OF REAL PROPERTY, IT MAY BE ADVISABLE TO OBTAIN TITLE INSURANCE IN CONNECTION WITH THE CLOSE OF ESCROW SINCE THERE MAY BE PRIOR RECORDED LIENS AND ENCUMBRANCES WHICH AFFECT YOUR INTEREST IN THE PROPERTY BEING ACQUIRED. A NEW POLICY OF TITLE INSURANCE SHOULD BE OBTAINED IN ORDER TO ENSURE YOUR INTEREST IN THE PROPERTY THAT YOU ARE ACQUIRING. (CA Civil Code s1057.6)

Buyer's acknowledgment(s) above paragraph by signing below.

*Quintin Donnelly*

DocuSigned by:  
Buyer

(Signature)

5/16/2016

Date

DocuSigned by:

*Sandy Donnelly*

DocuSigned by:  
Buyer

(Signature)

5/17/2016

Date

**DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP**

(As required by the Civil Code)

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 and 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) 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 which 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) 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 which 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.

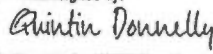
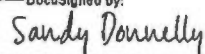
In representing both Seller and Buyer, the agent may not, without the express permission of the respective party, disclose to the other party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered.

The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect their 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 below. Read it carefully.

  
AUCTION.COM, INC.  
CA Real Estate Broker License No. 01093886

DocuSigned by:  
 5/16/2016  
84EC19E7199A43F...  
Buyer (date)  
(Signature)  
DocuSigned by:  
 5/17/2016  
CFAE36B84371480...  
Buyer (date)  
(Signature)

In the contract to purchase or sell or in a separate writing signed by the agent(s) and principals to the transaction, the agent(s) must confirm as follows the agency relationship intended:

**DISCLOSURE AND CONFIRMATION OF AGENCY RELATIONSHIP.** AUCTION.COM, INC. (CA Real Estate Broker License No. 01093886) is the agent of (check one):

☒ **THE SELLER EXCLUSIVELY**

The law requires that "When you [the principal] enter into a discussion with a real estate agent regarding a real estate transaction, you [the principal] should from the outset understand what type of agency relationship representation you [the principal] wish to have with the agent in the transaction." Accordingly, the disclosure form must be provided in a timely fashion 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).

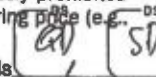
(c) Where the selling agent does not deal on a face-to-face basis with the seller, the disclosure form prepared by the selling agent may be furnished to the seller (and acknowledgment of receipt obtained for the selling agent from the seller) by the listing agent, or the selling agent may deliver the disclosure form by certified mail addressed to the seller at his or her last known address, in which case no signed acknowledgment 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."

Should either the buyer or seller refuse to sign the required acknowledgement of receipt of the disclosure form, the broker/agent representing that principal must prepare, sign, and date a written declaration of the facts surrounding the refusal.

Neither the payment of compensation nor the obligation of the buyer or seller to compensate the broker(s)/agent(s) will determine a particular agency relationship. Agency relationship(s) are factual and arise out of the conduct of the parties. However, the disclosure of and consent to the described agency relationship(s) establishes a rebuttable presumption of the agency relationship(s) which are intended by the parties.

A dual agent (where the same broker/agent represents both the seller and the buyer) is expressly prohibited from discussing without the prior written consent of the appropriate principal any asking or offering price (e.g.



that the seller would take less or the buyer would pay more than that which has been set forth in the written listing agreement or the written offer to purchase). The parties may agree in writing to change the agency relationship(s) prior to the commencement of the real estate transaction. (CAL. CIV. § 2079.13 et. seq.)

**CALIFORNIA SEX OFFENDER INFORMATION.** 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 [www.meganslaw.ca.gov](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. The public is authorized to gain access to certain sex offender information through the California Sex Offender Registry or by contacting local law enforcement offices in the community where the Property is located. For a list of California law enforcement agencies, you may visit the California Department of Justice website at <http://www.meganslaw.ca.gov/pdf/LEAcontact.pdf> or contact

California Department of Justice  
Sex Offender Tracking Program  
P. O. Box 903387  
Sacramento, CA 94203-3870  
(916) 227-4974  
[MegansLaw@doj.ca.gov](mailto:MegansLaw@doj.ca.gov)

**AIRPORT NOISE.** Buyers should investigate the impact of airport flight paths and the noise levels at different times of the day over that property. For more information on airport noise, visit the California Department of Transportation, Division of Aeronautics.

**SMOKE DETECTOR STATEMENT OF COMPLIANCE.** Whenever a sale (or exchange) of a single family dwelling occurs, the seller must provide the buyer with a written statement representing that the property is in compliance with California law regarding smoke detectors. The State Building Code mandates that all existing dwelling units have a smoke detector installed in a central location outside each sleeping area. In a two-story home with bedrooms on both floors, at least two smoke detectors would be required. (*Health and Safety Code Section 13113.8; California Building Code Section 1210; State Fire Marshall Regulation 92-04*) Some local ordinances may impose more stringent requirements than the state law. You should check with your local city or county building and safety departments regarding the applicable requirements for the property. Generally, a written statement of smoke detector compliance is not required for transactions for which the Seller is exempt from providing a transfer disclosure statement.

*Seller hereby represents that the property sold pursuant to this Agreement is in compliance with California law regarding smoke detectors if required at the Close of Escrow.*

**CERTIFICATION REGARDING WATER HEATER'S SECURITY AGAINST EARTHQUAKE.** The seller hereby certifies that the water heater will have been braced, anchored or strapped to resist falling or horizontal movement due to earthquake motion pursuant to the minimum standards set forth in the California Plumbing Code at the Close of Escrow. (*Health and Safety Code Section 19211*)

**METHAMPHETAMINE CONTAMINATION.** Neither Seller nor broker have actual knowledge of any potential contamination or suspected contamination by methamphetamine laboratory activity nor of any order prohibiting its use or habitation. Buyer is encouraged to conduct such due diligence as Buyer may deem desirable or necessary in this regard.

**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. (*CA Civil Code s2079.10.5(a)*)

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**ENVIRONMENTAL HAZARDS.** Seller is not aware of a defect or hazard however this does not mean that it does not exist. It is the buyer's responsibility to be informed and take additional steps to further investigate.

Some potential hazards that may be found in the state include:

- Radon ([www.epa.gov/radon](http://www.epa.gov/radon))
- Floods ([www.epa.gov/ebtpages/emernaturaldisastefloods.html](http://www.epa.gov/ebtpages/emernaturaldisastefloods.html))
- Methamphetamine Labs
- Wood-Burning Devices ([www.epa.gov/iaq/pubs/combust.html](http://www.epa.gov/iaq/pubs/combust.html))
- Underground Storage Tanks ([www.epa.gov](http://www.epa.gov))
- Well & Septic Systems ([www.epa.gov/ebtpages/wategroundwaterwells.html](http://www.epa.gov/ebtpages/wategroundwaterwells.html))
- Contaminated Soils ([www.epa.gov/ebtpages/pollsoilcontaminants.html](http://www.epa.gov/ebtpages/pollsoilcontaminants.html))
- Groundwater ([www.epa.gov/safewater/protect/citguide.html](http://www.epa.gov/safewater/protect/citguide.html))

For more information on environmental hazards, visit [www.epa.gov](http://www.epa.gov).

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**EXHIBIT C**  
**ADDITIONAL CLOSING INSTRUCTIONS**

Exhibit C

REO # L1300H1**REAL ESTATE PURCHASE ADDENDUM (Auction)**

This Real Estate Purchase Addendum ("Addendum") is to be made part of, and incorporated into, the Purchase Agreement with Joint Escrow Instructions dated 05-13-2016 (the "Contract"), between Fannie Mae ("Seller") and Quintin Donnelly, Sandy Donnelly ("Purchaser") for the purchase and sale of property and improvements located at the following address: 9 APOLLO ST SAN FRANCISCO CA 94124 ("Property"). As used in this Addendum, the Contract, any riders and exhibits thereto and this Addendum shall be collectively referred to as the "Agreement".

The Seller and the Purchaser agree as follows:

1. Offer:

(a) Acknowledgement of Sufficient Offer: The Purchaser has offered to purchase the Property for a purchase price in the amount of \$ 654,675.00 in accordance with the terms set forth in the Agreement ("Offer"). The Seller has reviewed the Offer and deemed it materially sufficient on \_\_\_\_\_ ("Acknowledgement Date").

(b) Acceptance of Offer: Notwithstanding Seller's acknowledgement that the Offer is sufficient for acceptance, the Purchaser agrees that the Offer and the Agreement remain subject to acceptance by the Seller and the Agreement must be executed by all parties in order to be binding. The Agreement shall be effective as of the date of execution by Seller ("Effective Date"). The Purchaser's earnest money deposit of \$ 32,733.75 is to be placed in a trust account acceptable to the Seller within two (2) calendar days following the Effective Date. The Agreement, signed by the Purchaser and reflecting the terms as acknowledged by the Seller, must be received by the Seller within five (5) calendar days of the Acknowledgement Date. If the Seller does not receive the signed Agreement by such date, the Purchaser's offer shall be deemed null and void. As used in this paragraph, the term "received by the Seller" means actual receipt of the Agreement by the Seller's listing agent.

2. Time is of the Essence: Settlement Date:

(a) It is agreed that time is of the essence with respect to all dates specified in the Agreement. This means that all deadlines are intended to be strict and absolute.

(b) The closing shall take place on a date ("Settlement Date") on or before 06/17/2016 (the "Expiration Date"), unless extended in writing signed by the Seller and the Purchaser or extended by the Seller under the terms of the Agreement. The closing shall be held in the offices of the Seller's attorney or agent, or at a place so designated and approved by the Seller, unless otherwise required by applicable law. If the closing does not occur by the Expiration Date, as extended, the Agreement is automatically terminated and the Seller shall retain any earnest money deposit as liquidated damages.

3. Financing: The Agreement is not contingent on the Purchaser obtaining financing for the purchase of the Property.

The Purchaser shall ensure that any lender selected by the Purchaser to finance the sale shall provide funds to the settlement agent as of the Settlement Date. The Purchaser shall further ensure that the selected lender shall provide all lender prepared closing documentation to the settlement agent no later than 48 hours prior to the Settlement Date. Any delays in closing and funding as a result of the Purchaser's selected lender shall be the responsibility of the Purchaser, and the failure to close on or before the Expiration Date (as extended, if applicable) will result in loss of Purchaser's earnest money deposit.

4. Use of Property: The Purchaser (check one): ☐ will ☒ will not use and occupy the Property as Purchaser's primary residence.

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5. Inspections:

- (a) The Purchaser acknowledges that prior to the execution of the Agreement, the Purchaser had sufficient opportunity to inspect the Property or obtain for Purchaser's own use, benefit and reliance, inspections and/or reports on the condition of the Property, or has waived such inspection and any objections to the condition of the Property and has accepted the Property in "as is" condition. The Purchaser shall not take any actions that cause the Property to be subject to any claims or liens and shall indemnify and hold the Seller harmless from all liability claims, demands, damages, and costs related to the Purchaser's inspection and the Purchaser shall repair all damages arising from or caused by the inspections. The Purchaser shall not directly or indirectly cause any inspections to be made by any government building or zoning inspectors or government employees without the prior written consent of the Seller, unless required by law, in which case, the Purchaser shall provide reasonable notice to the Seller prior to any such inspection. The Purchaser acknowledges that any inspections of the Property were at Purchaser's expense and that the Seller will not reimburse Purchaser for expenses associated with any inspection even if the closing does not close due to the Seller's termination of the Agreement in accordance with the terms hereof.
- (b) If the Property is a condominium or planned unit development or co-operative, unless otherwise required by law, the Purchaser, at the Purchaser's own expense, is responsible for obtaining and reviewing the covenants, conditions and restrictions and bylaws of the condominium, or planned unit development or cooperative ("Governing Documents"). The Seller agrees to use reasonable efforts, as determined at the Seller's sole discretion, to assist the Purchaser in obtaining a copy of the covenants, conditions and restrictions and bylaws. The Purchaser will be deemed to have accepted the Governing Documents if the Purchaser does not provide the Seller notice in writing, within fifteen (15) calendar days of the Effective Date, of the Purchaser's disapproval of the Governing Documents. In the event Purchaser disapproves of the Governing Documents, Purchaser has the right to terminate the Agreement and have its earnest money deposit returned; provided that the Purchaser notifies Seller in writing of Purchaser's disapproval within fifteen (15) calendar days of the Effective Date.

6. Repairs: Neither the Purchaser, nor its representatives, shall enter upon the Property to make any repairs and/or treatments prior to closing. The Purchaser acknowledges that closing on this transaction shall be deemed the Purchaser's reaffirmation that the Purchaser is satisfied with the condition of the Property and Purchaser waives all claims related to such condition of the Property. THE PURCHASER AGREES TO EXECUTE AND DELIVER TO THE SELLER AT CLOSING FANNIE MAE'S WAIVER & RELEASE.

7. CONDITION OF PROPERTY: THE PURCHASER UNDERSTANDS THAT THE SELLER ACQUIRED THE PROPERTY BY FORECLOSURE, DEED-IN-LIEU OF FORECLOSURE, FORFEITURE, TAX SALE, OR SIMILAR PROCESS AND CONSEQUENTLY, THE SELLER HAS LITTLE OR NO DIRECT KNOWLEDGE CONCERNING THE CONDITION OF THE PROPERTY. AS A MATERIAL PART OF THE CONSIDERATION TO BE RECEIVED BY THE SELLER UNDER THE AGREEMENT AS NEGOTIATED AND AGREED TO BY THE PURCHASER AND THE SELLER, THE PURCHASER ACKNOWLEDGES AND AGREES TO ACCEPT THE PROPERTY IN "AS IS" CONDITION AT THE TIME OF CLOSING, INCLUDING, WITHOUT LIMITATION, ANY DEFECTS OR ENVIRONMENTAL CONDITIONS AFFECTING THE PROPERTY, WHETHER KNOWN OR UNKNOWN, WHETHER SUCH DEFECTS OR CONDITIONS WERE DISCOVERABLE THROUGH INSPECTION OR NOT. THE PURCHASER ACKNOWLEDGES THAT THE SELLER, ITS AGENTS AND REPRESENTATIVES HAVE NOT MADE AND THE SELLER SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTEES, IMPLIED OR EXPRESS, ORAL OR WRITTEN IN RESPECT TO:

- (A) THE PHYSICAL CONDITION OR ANY OTHER ASPECT OF THE PROPERTY INCLUDING THE STRUCTURAL INTEGRITY OR THE QUALITY OR CHARACTER OF MATERIALS USED IN CONSTRUCTION OF ANY IMPROVEMENTS (E.G. DRYWALL, ASBESTOS, LEAD PAINT, UREA FORMALDEHYDE FOAM INSULATION), AVAILABILITY AND QUANTITY OR QUALITY OF WATER, STABILITY OF THE SOIL, SUSCEPTIBILITY TO LANDSLIDE OR FLOODING, SUFFICIENCY OF DRAINAGE, WATER LEAKS, WATER DAMAGE, MOLD OR ANY OTHER MATTER

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**AFFECTING THE STABILITY, INTEGRITY, OR CONDITION OF THE PROPERTY OR IMPROVEMENTS;**

- (B) **THE CONFORMITY OF THE PROPERTY OR THE IMPROVEMENTS TO ANY ZONING, LAND USE OR BUILDING CODE REQUIREMENTS OR COMPLIANCE WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY FEDERAL, STATE OR LOCAL GOVERNMENTAL AUTHORITY, OR THE GRANTING OF ANY REQUIRED PERMITS OR APPROVALS, IF ANY, OF ANY GOVERNMENTAL BODIES WHICH HAD JURISDICTION OVER THE CONSTRUCTION OF THE ORIGINAL STRUCTURE, ANY IMPROVEMENTS AND/OR ANY REMODELING OF THE STRUCTURE; AND**
- (C) **THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY OR IMPROVEMENTS INCLUDING REDHIBITORY VICES AND DEFECTS, APPARENT, NON APPARENT OR LATENT, WHICH NOW EXIST OR WHICH MAY HEREAFTER EXIST AND WHICH, IF KNOWN TO THE PURCHASER, WOULD CAUSE THE PURCHASER TO REFUSE TO PURCHASE THE PROPERTY.**

Mold, mildew, spores and/or other microscopic organisms and/or allergens (collectively referred to in the Agreement as "Mold") are environmental conditions that are common in residential properties and may affect the Property. Mold, in some forms, has been reported to be toxic and to cause serious physical injuries, including but not limited to, allergic and/or respiratory reactions or other problems, particularly in persons with immune system problems, young children and/or elderly persons. Mold has also been reported to cause extensive damage to personal and real property. Mold may have been removed or covered in the course of any cleaning or repairing of the Property. The Purchaser acknowledges that, if Seller, or any of Seller's employees, contractors, or agents cleaned or repaired the Property or remediated Mold contamination, that Seller does not in any way warrant the cleaning, repairs or remediation. Purchaser accepts full responsibility for all hazards that may result from the presence of Mold in or around the Property. The Purchaser is satisfied with the condition of the Property notwithstanding the past or present existence of Mold in or around the Property and Purchaser has not, in any way, relied upon any representations of Seller, Seller's employees, officers, directors, contractors, or agents concerning the past or present existence of Mold in or around the Property.

If at any time the Property conditions result in violations of building code or other laws or regulations, either party shall have the right to terminate the Agreement at any time prior to closing. If there is an enforcement proceeding arising from allegations of such violations before an enforcement board, special master, court or similar enforcement body, and neither the Purchaser nor the Seller terminate the Agreement, the Purchaser agrees (a) to accept the Property subject to the violations, (b) to be responsible for compliance with the applicable code and with orders issued in any code enforcement proceeding and (c) to resolve the deficiencies as soon as possible after the closing. The Purchaser agrees to execute any and all documents necessary or required for closing by any agency with jurisdiction over the Property. The Purchaser further agrees to indemnify the Seller from any and all claims or liability arising from the Purchaser's breach of this Section 7 of this Addendum.

The closing of this sale shall constitute acknowledgement by the Purchaser that Purchaser had the opportunity to retain an independent, qualified professional to inspect the Property and that the condition of the Property is acceptable to the Purchaser. The Purchaser agrees that the Seller shall have no liability for any claims or losses the Purchaser or the Purchaser's successors or assigns may incur as a result of construction or other defects which may now or hereafter exist with respect to the Property.

8. Occupancy Status of Property: The Purchaser acknowledges that neither the Seller, nor its representatives, agents or assigns, has made any warranties or representations, implied or expressed, relating to the existence of any tenants or occupants at the Property unless otherwise noted in Section 38 of this Addendum. Seller represents that the Property may have tenants occupying same under an active lease but expressly disclaims any warranties regarding the validity, enforceability, performance under or continuation of said lease. The Purchaser acknowledges that closing on this transaction shall be deemed the Purchaser's reaffirmation that neither the Seller, nor its representatives, agents or assigns, has made any warranties or representations, implied or expressed, relating to the existence of any tenants or occupants at the Property unless otherwise noted in Section 38 of this Addendum. Purchaser hereby agrees that they will not approach, contact or involve themselves in any way in any discussions or communications with any tenant or other occupant of the Property. Any breach of this provision shall be cause for Seller to terminate the Agreement and retain the Purchaser's earnest money deposit. The Seller, its representatives, agents or

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assigns, shall not be responsible for evicting or relocating any tenants, occupants or personal property at the Property prior to or subsequent to closing unless otherwise noted in Section 38 of this Addendum. All leases shall be deemed assigned to Purchaser upon closing to the extent permitted under applicable laws.

The Purchaser further acknowledges that, to the best of the Purchaser's knowledge, the Seller is not holding any security deposits from former or current tenants and has no information as to such security deposits as may have been paid by the former or current tenants to anyone and agrees that no sums representing such tenant security deposits shall be transferred to the Purchaser as part of this transaction. The Purchaser further agrees to assume all responsibility and liability for the refund of such security deposits to the tenants pursuant to the provisions of applicable laws and regulations. All rents due and payable and collected from tenants for the month in which closing occurs will be prorated according to the provisions of Section 10 of this Addendum.

The Purchaser acknowledges that this Property may be subject to the provisions of local rent control ordinances and regulations. The Purchaser agrees that upon the closing, all eviction proceedings and other duties and responsibilities of a property owner and landlord, including but not limited to those proceedings required for compliance with such local rent control ordinances and regulations, will be the Purchaser's sole responsibility.

9. **Personal Property:** Items of personal property, including but not limited to window coverings, appliances, manufactured homes, mobile homes, vehicles, spas, antennas, satellite dishes and garage door openers, now or hereafter located on the Property are not included in this sale or the Purchase Price unless the personal property is specifically described and referenced in Section 38 of this Addendum. Any personal property at or on the Property may be subject to claims by third parties and, therefore, may be removed from the Property prior to or after the Settlement Date. The Seller makes no representation or warranty as to the condition of any personal property, title thereto, or whether any personal property is encumbered by any liens. The Seller assumes no responsibility for any personal property remaining on the Property at the time of closing.

10. **Closing Costs and Adjustments:**

- (a) The Purchaser and the Seller agree to prorate the following expenses as of the Settlement Date: real estate taxes and assessments, common area charges, condominium or planned unit development or similar community assessments, cooperative fees, maintenance fees, and rents, if any. In determining prorations, the Settlement Date shall be allocated to the Purchaser. Payment of special assessment district bonds and assessments, and payment of homeowner's association or special assessments shall be paid current and prorated between the Purchaser and the Seller as of the Settlement Date with payments not yet due and owing to be assumed by the Purchaser without credit toward Purchase Price. The Property taxes shall be prorated based on an estimate or actual taxes from the previous year on the Property. All prorations shall be based upon a 30-day month and all such prorations shall be final. The Seller shall not be responsible for any amounts due, paid or to be paid after closing, including but not limited to, any taxes, penalties or interest assessed or due as a result of retroactive, postponed or additional taxes resulting from any change in use of, or construction on, or improvement to the Property, or an adjustment in the appraised value of the Property. In the event the Seller has paid any taxes, special assessments or other fees and there is a refund of any such taxes, assessments or fees after closing, and the Purchaser, as current owner of the Property, receives the payment, the Purchaser will immediately submit the refund to the Seller.
- (b) Fannie Mae is a congressionally chartered corporation and is exempt from realty transfer taxes pursuant to 12 U.S.C. 1723a(c)(2); however, real estate transfer taxes may be assessed against the Purchaser or Fannie Mae's exemption may not be recognized or may be challenged by State, County or local authorities, and such taxes shall be the sole responsibility of the Purchaser. Regardless of local custom, requirements or practice, the Purchaser shall pay any and all realty transfer taxes due as a result of the conveyance of the Property. All other closing costs, fees, taxes and charges, including, but not limited to tax service fees, recordation fees for the deed, deed of trust and/or mortgage, any documentary tax, title policy fees, and all other escrow or closing fees and/or lender required fees shall be the sole cost and expense of the Purchaser, except as expressly assumed by the Seller herein.
- (c) The Seller shall pay the real estate commission per the listing agreement between the Seller and the Seller's listing broker.

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- (d) Purchaser shall release Seller from any and all claims arising from the adjustments or prorations or errors in calculating the adjustments or prorations that are or may be discovered after closing. THE PURCHASER AGREES TO EXECUTE AND DELIVER TO THE SELLER AT CLOSING FANNIE MAE'S TAX PRORATION AGREEMENT.

- (e) <sup>DS</sup> AD <sup>DS</sup> SV **Title and Closing Services. Purchaser will obtain title and escrow closing services from (Purchaser to select option below and initial in the space provided):**

Seller's escrow closing and title provider and title insurance company used by Seller's provider. If Purchaser selects this option, Seller shall pay for the owner's title insurance policy, and if applicable, a lender's title insurance policy in an amount not to exceed 2011.25, and the closing shall take place with the Seller's escrow/closing agent or attorney. Purchaser and Seller agree that Seller's payment of the title insurance products is limited to the amount that Seller would pay its provider under its agreement with the provider for a basic residential owner's and lender's title insurance policy or their equivalent.

Other escrow closing and title provider. If Purchaser selects this option, Purchaser shall bear the expense for all title insurance costs associated with the transaction, regardless of local custom, requirements or practice.

11. **Delivery of Funds:** Regardless of local custom, requirements, or practice, upon delivery of the deed by the Seller to the Purchaser, the Purchaser shall deliver, or cause to be delivered, all funds due the Seller from the sale in the form of cash, bank check, certified check or wire transfer. An attorney's trust fund check shall not be sufficient to satisfy this provision unless the bank holding the account on which the trust fund check is drawn certifies the trust fund check.
12. **Certificate of Occupancy:** If the Property is located in a jurisdiction that requires a certificate of occupancy, smoke detector certification, septic certification or any similar certification or permit ("Certificate of Occupancy") or any form of improvement or repair to the Property to obtain such Certificate of Occupancy necessary for the Property to be occupied, the Purchaser understands that the Seller requires the Certificate of Occupancy to be obtained by the Purchaser at the Purchaser's sole expense. The Purchaser shall make application for all Certificates of Occupancy within ten (10) calendar days of the Acknowledgement Date. The Purchaser shall not have the right to delay the closing due to the Purchaser's failure or inability to obtain any required Certificate of Occupancy. Failure of the Purchaser to obtain and furnish the Certificate of Occupancy shall be a material breach of the Agreement.
13. **Delivery of Possession of Property:** The Seller shall deliver possession of the Property to the Purchaser at closing. The delivery of possession shall be subject to the rights of any tenants or parties in possession per Section 8 of this Addendum. If the Purchaser alters the Property or causes the Property to be altered in any way and/or occupies the Property or allows any other person to occupy the Property prior to closing without the prior written consent of the Seller, such event shall constitute a breach by the Purchaser under the Agreement and the Seller may terminate the Agreement and the Purchaser shall be liable to the Seller for damages caused by any such alteration or occupation of the Property prior to closing and waives any and all claims for damages or compensations for alterations made by the Purchaser to the Property including, but not limited to, any claims for unjust enrichment.
14. **Deed:** Regardless of local practice, the deed to be delivered by Seller at closing shall be a deed that covenants that grantor grants only that title which grantor may have and that grantor will only defend title against persons claiming by, through, or under the grantor, but not otherwise. Any reference to the term "Deed" or "Special Warranty Deed" herein shall be construed to refer to such form of deed. Under no circumstances shall Seller be required to deliver any form of deed which grants a general warranty of title.

☒ (check if applicable) Seller's deed shall include the following deed restriction:

GRANTEE HEREIN SHALL BE PROHIBITED FROM CONVEYING CAPTIONED PROPERTY FOR A SALES PRICE OF GREATER THAN \$ 785,610.00 FOR A PERIOD OF 3 MONTH(S) FROM THE DATE OF THE RECORDING OF THIS DEED. GRANTEE SHALL ALSO BE PROHIBITED FROM ENCUMBERING SUBJECT PROPERTY WITH A SECURITY INTEREST IN THE PRINCIPAL AMOUNT OF GREATER THAN \$ 785,610.00 FOR A PERIOD OF 3 MONTH(S) FROM THE DATE OF THE RECORDING OF THIS DEED. THESE RESTRICTIONS SHALL RUN WITH THE LAND AND ARE NOT PERSONAL TO GRANTEE. THIS

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RESTRICTION SHALL TERMINATE IMMEDIATELY UPON CONVEYANCE AT ANY FORECLOSURE SALE RELATED TO A MORTGAGE OR DEED OF TRUST.

15. Defects in Title: If the Purchaser raises an objection to the Seller's title to the Property, which, if valid, would make title to the Property uninsurable, the Seller shall have the right unilaterally to terminate the Agreement by giving written notice of the termination to the Purchaser. However, if the Seller is able to correct the problem through reasonable efforts, as the Seller determines, at its sole and absolute discretion, prior to Expiration Date, including any written extensions, or if title insurance is available from a reputable title insurance company at regular rates containing affirmative coverage for the title objections, then the Agreement shall remain in full force and the Purchaser shall perform pursuant to the terms set in the Agreement. The Seller is not obligated to remove any exception or to bring any action or proceeding or bear any expense in order to convey title to the Property or to make the title marketable and/or insurable but any attempt by the Seller to remove such title exceptions shall not impose an obligation upon the Seller to remove those exceptions. The Purchaser acknowledges that the Seller's title to the Property may be subject to court approval of foreclosure or to mortgagor's right of redemption. In the event the Seller is not able to (a) make the title insurable or correct any problem or (b) obtain title insurance from a reputable title insurance company, all as provided herein, the Purchaser may terminate the Agreement and any earnest money deposit will be returned to the Purchaser as the Purchaser's sole remedy at law or equity. If the Purchaser elects to take title subject to the title objections, the Purchaser shall so notify the Seller. The Purchaser's silence as to any title objections shall be deemed as acceptance.

16. Representations and Warranties:

The Purchaser represents and warrants to the Seller the following:

- (a) The Purchaser is purchasing the Property solely in reliance on its own investigation and inspection of the Property and not on any information, representation or warranty provided or to be provided by the Seller, its servicers, representatives, brokers, employees, agents or assigns;
- (b) Neither the Seller, nor its servicers, employees, representatives, brokers, agents or assigns, has made any representations or warranties, implied or expressed, relating to the condition of the Property or the contents thereof, except as expressly set forth in Section 38 of this Addendum;
- (c) The Purchaser has not relied on any representation or warranty from the Seller regarding the nature, quality or workmanship of any repairs made by the Seller; and
- (d) The Purchaser will not occupy or cause or permit others to occupy the Property prior to closing and, unless and until any necessary Certificate of Occupancy has been obtained from the appropriate governmental entity, will not occupy or cause or permit others to occupy the Property after closing.
- (e) The undersigned, if executing the Agreement on behalf of the Purchaser that is a corporation, partnership, trust or other entity, represents and warrants that he/she is authorized by that entity to enter into the Agreement and bind the entity to perform all duties and obligations stated in the Agreement; and
- (f) The Purchaser (check one) has ☒ has not previously purchased a Fannie Mae owned property.

17. WAIVERS:

AS A MATERIAL PART OF THE CONSIDERATION TO BE RECEIVED BY THE SELLER UNDER THE AGREEMENT AS NEGOTIATED AND AGREED TO BY THE PURCHASER AND THE SELLER, THE PURCHASER WAIVES THE FOLLOWING:

- (A) ALL RIGHTS TO FILE AND MAINTAIN AN ACTION AGAINST THE SELLER FOR SPECIFIC PERFORMANCE;

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- (B) RIGHT TO RECORD A LIS PENDENS AGAINST THE PROPERTY OR TO RECORD THE AGREEMENT OR A MEMORANDUM THEREOF IN THE REAL PROPERTY RECORDS;
- (C) RIGHT TO INVOKE ANY OTHER EQUITABLE REMEDY THAT MAY BE AVAILABLE THAT IF INVOKED, WOULD PREVENT THE SELLER FROM CONVEYING THE PROPERTY TO A THIRD PARTY PURCHASER;
- (D) ANY AND ALL CLAIMS ARISING FROM THE ADJUSTMENTS OR PRORATIONS OR ERRORS IN CALCULATING THE ADJUSTMENTS OR PRORATIONS THAT ARE OR MAY BE DISCOVERED AFTER CLOSING;
- (E) ANY CLAIMS FOR FAILURE OF CONSIDERATION AND/OR MISTAKE OF FACT AS SUCH CLAIMS RELATE TO THE PURCHASE OF THE PROPERTY OR ENTERING INTO OR EXECUTION OF OR CLOSING UNDER THE AGREEMENT;
- (F) ANY REMEDY OF ANY KIND, INCLUDING BUT NOT LIMITED TO RESCISSION OF THE AGREEMENT, OTHER THAN AS EXPRESSLY PROVIDED IN SECTION 19 OF THIS ADDENDUM, TO WHICH THE PURCHASER MIGHT OTHERWISE BE ENTITLED AT LAW OR EQUITY WHETHER BASED ON MUTUAL MISTAKE OF FACT OR LAW OR OTHERWISE;
- (G) TRIAL BY JURY, EXCEPT AS PROHIBITED BY LAW, IN ANY LITIGATION ARISING FROM OR CONNECTED WITH OR RELATED TO THE AGREEMENT;
- (H) ANY CLAIMS OR LOSSES THE PURCHASER MAY INCUR AS A RESULT OF CONSTRUCTION ON, REPAIR TO, OR TREATMENT OF THE PROPERTY, OR OTHER DEFECTS, WHICH MAY NOW OR HEREAFTER EXIST WITH RESPECT TO THE PROPERTY;
- (I) ANY CLAIMS OR LOSSES RELATED TO ENVIRONMENTAL CONDITIONS AFFECTING THE PROPERTY INCLUDING, BUT NOT LIMITED TO, MOLD, DRYWALL, LEAD PAINT, FUEL OIL, ALLERGENS, OR OTHER TOXIC SUBSTANCES OF ANY KIND;
- (J) ANY RIGHT TO AVOID THIS SALE OR REDUCE THE PRICE OR HOLD THE SELLER RESPONSIBLE FOR DAMAGES ON ACCOUNT OF THE CONDITION OF THE PROPERTY, LACK OF SUITABILITY AND FITNESS, OR REDHIBITORY VICES AND DEFECTS, APPARENT, NONAPPARENT OR LATENT, DISCOVERABLE OR NONDISCOVERABLE;
- (K) ANY CLAIM ARISING FROM ENCROACHMENTS, EASEMENTS, SHORTAGES IN AREA OR ANY OTHER MATTER WHICH WOULD BE DISCLOSED OR REVEALED BY A SURVEY OR INSPECTION OF THE PROPERTY OR SEARCH OF PUBLIC RECORDS; AND
- (L) ANY RIGHT TO MEDIATION OR ARBITRATION RELATING TO OR ARISING UNDER OR FROM THE AGREEMENT, EXCEPT AS PROHIBITED BY LAW.

References to the "Seller" in this Section 17 of this Addendum shall include the Seller and the Seller's servicers, representatives, agents, brokers, employees, and/or assigns.

In the event that the Purchaser breaches any of the terms described or contemplated under this Section 17 of this Addendum, the Purchaser shall pay all reasonable attorneys fee and costs incurred by the Seller in defending such action, and the Purchaser shall pay Five Thousand Dollars (\$5,000) as liquidated damages for breach of this Section 17 of this Addendum, which amount shall be in addition to any liquidated damages held or covered by the Seller pursuant to Section 19 of this Addendum.

18. Conditions to the Seller's Performance: The Seller shall have the right, at the Seller's sole discretion, to extend the Expiration Date or to terminate the Agreement if:

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- (a) full payment of any mortgage insurance claim related to the loan previously secured by the Property is not confirmed prior to the Settlement Date or the mortgage insurance company exercises its right to acquire title to the Property;
- (b) the Seller determines that it is unable to convey title to the Property insurable by a reputable title insurance company at regular rates;
- (c) the Seller at any time has requested that the servicing lender, or any other party, repurchase the loan previously secured by the Property and/or such lender or other party has elected to repurchase the Property;
- (d) a third party with rights related to the sale of the Property does not approve the sale terms;
- (e) full payment of any property, fire or hazard insurance claim is not confirmed prior to the closing;
- (f) any third party, whether tenant, homeowner's association, or otherwise, exercises rights under a right of first refusal to purchase the Property;
- (g) the Purchaser is the former mortgagor of the Property, or is related to or affiliated in any way with the former mortgagor, and the Purchaser has not disclosed this fact to the Seller prior to the Seller's acceptance of the Agreement. Such failure to disclose shall constitute default under the Agreement, entitling the Seller to exercise any of its rights and remedies, including, without limitation, retaining the earnest money deposit;
- (h) the Seller, at the Seller's sole discretion, determines that the sale of the Property to the Purchaser or any related transactions are in any way associated with illegal activity of any kind;
- (i) the Agreement was accepted and executed by Seller in noncompliance with Fannie Mae procedures or guidelines;
- (j) Seller determines in its sole discretion that the sale of the Property will subject Seller to liability and/or have an impact on pending, threatened or potential litigation; or
- (k) material misrepresentation by the Purchaser.

In the event the Seller elects to terminate the Agreement as a result of (a), (b), (c), (d), (e), (f), (i) or (j) above, the Seller shall return the Purchaser's earnest money deposit.

19. Remedies for Default:

- (a) In the event of the Purchaser's default, material breach or material misrepresentation of any fact under the terms of the Agreement, the Seller, at its option, may retain the earnest money deposit and any other funds then paid by the Purchaser as liquidated damages and/or invoke any other remedy available to Seller at law and/or equity and the Seller is automatically released from the obligation to sell the Property to the Purchaser and neither the Seller nor its representatives, agents, attorneys, successors, or assigns shall be liable to the Purchaser for any damages of any kind as a result of the Seller's failure to sell and convey the Property. Purchaser hereby agrees to execute any termination forms requested by the escrow agent in connection with Seller's election to terminate the Agreement; however, failure of the Purchaser to execute any such forms shall not affect Seller's rights and remedies under the Agreement. Purchaser hereby grants to Seller the unilateral right to execute cancellation instructions in the event that Seller elects to terminate the Agreement.
- (b) In the event of the Seller's default or material breach under the terms of the Agreement or if the Seller terminates the Agreement as provided under the provisions of Paragraph 18 (a), (b), (c), (d), (e), (f), (i) or (j) of this Addendum, the Purchaser shall be entitled to the return of the earnest money deposit as Purchaser's sole and exclusive remedy at law and/or equity. The Purchaser waives any rights to file and maintain an action against the Seller for specific performance and the Purchaser acknowledges that a return of its earnest money deposit can adequately and fairly compensate the Purchaser. Upon return of the earnest money deposit to the Purchaser, the Agreement shall be

DS DS  
[Signature] [Signature]

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PURCHASER (Initials) \_\_\_\_\_

SELLER (Initials) \_\_\_\_\_

terminated, and the Purchaser and the Seller shall have no further liability or obligation, each to the other in connection with the Agreement.

- (c) The Purchaser agrees that the Seller shall not be liable to the Purchaser for any special, consequential or punitive damages whatsoever, whether in contract, tort (including negligence and strict liability) or any other legal or equitable principle, including but not limited to any cost or expense incurred by the Purchaser in selling or surrendering a lease on a prior residence, obtaining other living accommodations, moving, storage or relocation expenses or any other such expense or cost arising from or related to the Agreement or a breach of the Agreement.
- (d) Any consent by any party to, or waiver of, a breach by the other, whether express or implied, shall not constitute consent to, waiver of, or excuse for any different or subsequent breach.
- (e) In the event either party elects to exercise its remedies as described in this Section 19 of this Addendum and the Agreement is terminated, the parties shall have no further obligation under the Agreement except as to any provision that survives the termination of the Agreement pursuant to Section 24 of this Addendum.

20. **Indemnification:** The Purchaser agrees to indemnify and fully protect, defend, and hold the Seller, its officers, directors, employees, shareholders, servicers, representatives, agents, attorneys, tenants, brokers, successors or assigns harmless from and against any and all claims, costs, liens, loss, damages, attorney's fees and expenses of every kind and nature that may be sustained by or made against the Seller, its officers, directors, employees, shareholders, servicers, representatives, agents, attorneys, tenants, brokers, successors or assigns, resulting from or arising out of:

- (a) inspections or repairs made by the Purchaser or its agents, employees, contractors, successors or assigns;
- (b) claims, liabilities, fines or penalties resulting from the Purchaser's failure to timely obtain any Certificate of Occupancy or to comply with equivalent laws and regulations;
- (c) claims for amounts due and owed by the Seller for taxes, homeowner association dues or assessment or any other items prorated under Section 10 of this Addendum, including any penalty or interest and other charges, arising from the proration of such amounts for which the Purchaser received a credit at closing under Section 10 of this Addendum; and
- (d) the Purchaser's or the Purchaser's tenants, agents or representatives use and /or occupancy of the Property prior to the Settlement Date and/or issuance of required certificates of occupancy.

21. **Risk of Loss:** In the event of fire, destruction or other casualty loss to the Property after the Seller's acceptance of the Agreement and prior to closing, the Seller may, at its sole discretion, repair or restore the Property, or the Seller may terminate the Agreement. If the Seller elects to repair or restore the Property, then Seller may, at its sole discretion, limit the amount to be expended. Whether or not Seller elects to repair or restore the Property, the Purchaser's sole and exclusive remedy shall be either to acquire the Property in its then condition at the Purchase Price with no reduction thereof by reason of such loss or terminate the Agreement and receive a refund of any earnest money deposit.

22. **Eminent Domain:** In the event that the Seller's interest in the Property, or any part thereof, shall have been taken by eminent domain or shall be in the process of being taken on or before the Settlement Date, either party may terminate the Agreement and the earnest money deposit shall be returned to the Purchaser and neither party shall have any further rights or liabilities hereunder except as provided in Section 24 of this Addendum.

23. **Keys:** The Purchaser understands that the Seller may not be in possession of keys, including but not limited to, mailbox keys, recreation area keys, gate cards, or automatic garage remote controls, and any cost of obtaining the same will be the responsibility of the Purchaser. The Purchaser also understands that if the Property includes an alarm system, the Seller cannot provide the access code and/or key and that the Purchaser is responsible for any costs associated with the alarm and/or changing the access code or obtaining keys. If the Property is presently on a Master Key System, the Seller will re-key the exterior doors to the Property prior to closing at the Purchaser's expense. The Purchaser authorizes and instructs escrow holder to charge the account of the Purchaser at closing for the rekey.

PURCHASER (Initials)  

SELLER (Initials) \_\_\_\_\_

24. **Survival:** Delivery of the deed to the Property to the Purchaser by the Seller shall be deemed to be full performance and discharge of all of the Seller's obligations under the Agreement. Notwithstanding anything to the contrary in the Agreement, any provision which contemplates performance or observance subsequent to any termination or expiration of the Agreement, shall survive the closing and/or termination of the Agreement by any party and continue in full force and effect.
25. **Further Assurances:** The Purchaser agrees to execute and deliver to the Seller at closing, or otherwise as requested by the Seller, documents including Fannie Mae's Waiver and Release, Tax Proration Agreement or documents that are substantially the same, and to take such other action as reasonably may be necessary to further the purpose of the Agreement. Copies of referenced documents are available from the Seller's listing agent upon request by the Purchaser.
26. **Severability:** The lack of enforceability of any provision of the Agreement shall not affect the enforceability of any other provision of the Agreement, all of which shall remain in full force and effect.
27. **Assignment of Agreement:** The Purchaser shall not assign the Agreement without the express written consent of the Seller. The Seller may assign the Agreement at its sole discretion without prior notice to, or consent of, the Purchaser.
28. **EFFECT OF ADDENDUM:** THIS ADDENDUM AMENDS AND SUPPLEMENTS THE CONTRACT AND, IF APPLICABLE, ESCROW INSTRUCTIONS. IN THE EVENT THERE IS ANY CONFLICT BETWEEN THIS ADDENDUM AND THE CONTRACT OR ESCROW INSTRUCTIONS OR NOTICE OR OTHER DOCUMENTS ATTACHED AND MADE A PART OF THE AGREEMENT, THE TERMS OF THIS ADDENDUM TAKE PRECEDENCE AND SHALL PREVAIL EXCEPT AS OTHERWISE PROVIDED BY LAW.
29. **Entire Agreement:** The Agreement constitutes the entire agreement between the Purchaser and the Seller concerning the subject matter hereof and supersedes all previous communications, understandings, representations, warranties, covenants or agreements, either written or oral and there are no oral or other written agreements between the Purchaser and the Seller. All negotiations are merged into the Agreement. The Seller is not obligated by any other written or oral statements made by the Seller, the Seller's representatives, or any real estate licensee.
30. **Modification:** No provision, term or clause of the Agreement shall be revised, modified, amended or waived except by an instrument in writing signed by the Purchaser and the Seller.
31. **Rights of Others:** The Agreement does not create any rights, claims or benefits inuring to any person or entity, other than Seller's successors and/or assigns, that is not a party to the Agreement, nor does it create or establish any third party beneficiary to the Agreement.
32. **Counterparts:** The Agreement may be executed in any number of counterparts and each such counterpart shall be deemed to be an original, but all of which, when taken together, shall constitute one agreement.
33. **Headings:** The titles to the sections and headings of various paragraphs of the Agreement are placed for convenience of reference only and in case of conflict, the text of the Agreement, rather than such titles or headings shall control.
34. **Electronic Signatures:** An electronic signature shall be given the same effect as a written signature.
35. **Force Majeure:** Except as provided in Section 21 to this Addendum, no party shall be responsible for delays or failure of performance resulting from acts of God, riots, acts of war and terrorism, epidemics, power failures, earthquakes or other disasters, providing such delay or failure of performance could not have been prevented by reasonable precautions and cannot reasonably be circumvented by such party through use of alternate sources, workaround plans or other means.
36. **Attorney Review:** The Purchaser acknowledges that Purchaser has had the opportunity to consult with its legal counsel regarding the Agreement and that accordingly the terms of the Agreement are not to be construed against any party because that party drafted the Agreement or construed in favor of any Party because that Party failed to understand the legal effect of the provisions of the Agreement.

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[Signature] [Signature]

PURCHASER (Initials)

SELLER (Initials)

Fannie Mae Auction Addendum -- LW  
Rev. 11/3/15

37. Notices: Any notices required to be given under the Agreement shall be deemed to have been delivered when actually received in the case of hand or overnight delivery, or five (5) calendar days after mailing by first class mail, postage paid, or by fax with confirmation of transmission to the numbers below. All notices to the Seller will be deemed sent or delivered to the Seller when sent or delivered to Seller's listing broker or agent or Seller's attorney, at the address or fax number shown below. All notices to the Purchaser shall be deemed sent or delivered when sent or delivered to the Purchaser or the Purchaser's attorney or agent at the address or fax number shown below.

38. Additional Terms or Conditions:

Refer to Paragraph 10 of this Addendum for provisions regarding Seller's Expenses for title and closing costs.

Seller further discloses that the Property is subject to the following, and possibly additional, litigation:

Case#: CUD-15-653155, styled \_\_\_\_\_ v. \_\_\_\_\_ filed in San Francisco Superior Court

Case#: \_\_\_\_\_, styled \_\_\_\_\_ v. \_\_\_\_\_ filed in \_\_\_\_\_

(collectively, "Litigation"). The Litigation may involve claims or challenges relating to, without limitation, Seller's title, ownership, or possession interests in the Property and claims relating to substandard or illegal conditions existing on or in the Property. Purchaser acknowledges that there may be additional litigation or outstanding code violations related to the Property not listed above. Purchaser is aware that the Property may not comply with the state sanitary code, building code or other applicable laws concerning the condition of the Property. Purchaser agrees that the closing of this sale shall constitute acknowledgement by the Purchaser that Purchaser had the opportunity to retain the advice of an attorney to review the Litigation and other litigation and code violations and Purchaser hereby accepts the premises and title as-is, and agrees to hold harmless Seller, its attorneys and agents, for any liability incurred or loss suffered in connection with the Litigation, the condition of the premises and title of the Property.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
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PURCHASER (Initials) AD SD

SELLER (Initials) \_\_\_\_\_

Fannie Mae Auction Addendum -- LW  
Rev. 11/3/15

IN WITNESS WHEREOF, the Purchaser and the Seller have entered into the Agreement as of the date first set forth above.

**PURCHASER (S):**

Signature:  \_\_\_\_\_  
BAC19E7199A43F...

Date: 5/16/2016  
Quintin Donnelly

Print Name: \_\_\_\_\_

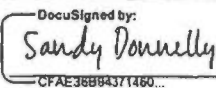
Address: 51 Tucker Avenue

San Francisco, California, 94134

Email Address: qedmail@gmail.com

Telephone: 415-467-7885

Fax: \_\_\_\_\_

Signature:  \_\_\_\_\_  
CPAE36B94371460...

Date: 5/17/2016

Print Name: Sandy Donnelly

Address: 51 Tucker Avenue

San Francisco, CA, 94134

Email Address: sandy9375@gmail.com

Telephone: 415-606-4732

Fax: \_\_\_\_\_

**SELLER:**

☐ FANNIE MAE:

☐ \_\_\_\_\_  
as Attorney in Fact for FANNIE MAE

for \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

PURCHASER (Initials)  

SELLER (Initials) \_\_\_\_\_

Fannie Mae Auction Addendum -- LW  
Rev. 11/3/15

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**PURCHASER'S AGENT:**

Brokerage Firm: \_\_\_\_\_

Purchaser's Agent Name: None

Address: \_\_\_\_\_

Telephone : \_\_\_\_\_

Email Address: \_\_\_\_\_

Fax: \_\_\_\_\_

**PURCHASER'S ATTORNEY:**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

Fax: \_\_\_\_\_

**SELLER'S AGENT:**

Brokerage Firm: \_\_\_\_\_

Seller's Agent Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone : \_\_\_\_\_

Email Address: \_\_\_\_\_

Fax: \_\_\_\_\_

**SELLER'S ATTORNEY:**



Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

Fax: \_\_\_\_\_

PURCHASER (Initials)

SELLER (Initials)

**LEAD-BASED PAINT / LEAD-BASED PAINT HAZARD  
DISCLOSURE AND ACKNOWLEDGMENT**

**LEAD WARNING STATEMENT**

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase, at purchaser's expense.

**SELLER'S DISCLOSURE** (Seller Initial both lines 1&2)

1. Presence of lead-based paint and/or lead-based paint hazards (check one below):  
☐ Known lead-based paint and/or lead-based paint hazards are present in the housing (explain): \_\_\_\_\_  
☒ Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.
2. Records and reports available to the Seller (check one below):  
☐ Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/o lead-based paint hazards in the housing (list documents): \_\_\_\_\_  
☒ Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing

**PURCHASER'S ACKNOWLEDGMENT** (Buyer Initial lines 3, 4 & 5)

3. Purchaser has received copies of all information listed in 2 above, if any.  
DS DS  
ad sd
4. Purchaser has received the pamphlet *Protect Your Family From Lead in Your Home*.  
DS DS  
ad sd
5. Purchaser has (check one below):  
☐ Received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or  
☒ Waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

PURCHASER AGREES THEY ARE PURCHASING THE PROPERTY "AS IS," WITHOUT ANY REPRESENTATIONS OR WARRANTIES WHATSOEVER AS TO THE CONDITION OF THE PROPERTY. PURCHASER FURTHER AGREES THAT SELLER AND ITS SERVICERS, REPRESENTATIVES, AGENTS, BROKERS, AUCTIONEER, ATTORNEYS, OFFICERS, DIRECTORS, EMPLOYEES, SUCCESSORS AND ASSIGNS HAS NO RESPONSIBILITY OR LIABILITY FOR, AND PURCHASER HEREBY UNCONDITIONALLY RELEASES SELLER AND ITS SERVICERS, REPRESENTATIVES, AGENTS, BROKERS, AUCTIONEERS, ATTORNEYS, OFFICERS, DIRECTORS, EMPLOYEES, SUCCESSORS AND ASSIGNS FROM, ANY AND ALL LIABILITY, BOTH KNOWN AND UNKNOWN, PRESENT AND FUTURE, THAT IS BASED UPON, OR RELATED TO, THE EXISTENCE OF LEAD OR LEAD-BASED PAINT ON OR ABOUT THE PROPERTY.

**AGENT'S ACKNOWLEDGMENT**

6. Auctioneer, broker and/or the Seller's Broker has informed the seller of the seller's obligations under 42 U.S.C. 4852d and is aware of his/her responsibility to ensure compliance.

**CERTIFICATION OF ACCURACY**

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information provided by the signatory is true and accurate.

DocuSigned by: <u>Quintin Donnelly</u> 84EC19E7199A43F	5/16/2016
SELLER	Date
DocuSigned by: <u>Sandy Donnelly</u> CFA526B04371490	5/17/2016
BUYER	Date
SELLER	Date
BUYER	Date

122010.1

AUCTION ITEM NO. AZ52750 / L1300H1

PROPERTY ADDRESS: 9 APOLLO ST SAN FRANCISCO CA 94124

BUYER'S CHOICE OF ESCROW/CLOSING AGENT AND TITLE COMPANY

NOTICE: PURSUANT TO THE CALIFORNIA "BUYER'S CHOICE ACT," A SELLER (DEFINED AS "A MORTGAGEE OR BENEFICIARY UNDER A DEED OF TRUST WHO ACQUIRED TITLE TO RESIDENTIAL REAL PROPERTY IMPROVED BY FOUR OR FEWER DWELLING UNITS AT A FORECLOSURE SALE" ) SHALL NOT REQUIRE DIRECTLY OR INDIRECTLY, AS A CONDITION OF SELLING THE PROPERTY, THAT TITLE INSURANCE COVERING THE PROPERTY OR ESCROW SERVICE PROVIDED IN CONNECTION WITH THE SALE OF THE PROPERTY BE PURCHASED BY THE BUYER FROM A PARTICULAR TITLE INSURER OR ESCROW AGENT. HOWEVER, A BUYER MAY AGREE TO ACCEPT THE SERVICES OF A TITLE INSURER OR AN ESCROW AGENT RECOMMENDED BY THE SELLER IF WRITTEN NOTICE OF THE RIGHT TO MAKE AN INDEPENDENT SELECTION OF THOSE SERVICES IS FIRST PROVIDED BY THE SELLER TO THE BUYER. THIS NOTICE IS PROVIDED TO THE BUYER TO NOTIFY BUYER THAT BUYER HAS THE RIGHT TO MAKE AN INDEPENDENT SELECTION OF TITLE INSURER AND ESCROW SERVICES.

By having registered for and participated in the auction event, I/We acknowledged having received, read and understood the notice set forth above and represented the following:

(a) that the Seller has not directly or indirectly required the use of the Escrow Agent or Title Company for the escrow or title services described in the Purchase Agreement; and

(b) that the Escrow/Closing Agent and the Title Company were either (i) chosen by Buyer to provide the escrow and/or title services required for the Purchase Agreement or (ii) were recommended by Seller and agreed to be used by Buyer to provide the escrow/closing and/or title services required for the Purchase Agreement.

Date: 5/16/2016

DocuSigned by:  
Buyer: Quintin Donnelly  
DocuSigned by:  
Buyer: Sandy Donnelly  
CFAE36B94371460...

# Certificate Of Completion

Envelope Id: C4B145C425EA4373AF363CACC9D98D35

Subject: Online Contract for Digital Signature for Auction O-798 item # [AZ52750]  
environment:

Source Envelope:

Document Pages: 35

Supplemental Document Pages: 0

Certificate Pages: 5

AutoNav: Enabled

EnvelopeId Stamping: Enabled

Time Zone: (UTC-08:00) Pacific Time (US & Canada)

Signatures: 14

Initials: 50

Payments: 0

Status: Completed

Envelope Originator:

Online Contracts

1301 Shoreway Road

Suite 200

Belmont, CA 94002

online.contracts@auction.com

IP Address: 128.177.69.5

## Record Tracking

Status: Original

5/16/2016 5:57:40 AM

Holder: Online Contracts

online.contracts@auction.com

Location: DocuSign

## Signer Events

Quintin Donnelly

qedmail@gmail.com

Security Level: Email, Account Authentication  
(None), Authentication

## Signature

DocuSigned by:  
Quintin Donnelly  
84EC10E7199A43F...

Using IP Address: 209.234.137.222

## Timestamp

Sent: 5/16/2016 5:57:41 AM

Viewed: 5/16/2016 3:19:43 PM

Signed: 5/16/2016 3:36:39 PM

## Authentication Details

ID Check:

Transaction: 11020870626262

Result: passed

Vendor ID: LexisNexis

Type: iAuth

Recipient Name Provided by: Recipient

Information Provided for ID Check: Address,

SSN9, SSN4, DOB

Performed: 5/16/2016 3:19:33 PM

Electronic Record and Signature Disclosure:

Accepted: 5/16/2016 3:19:43 PM

ID: 09d73e54-f9cf-49c4-95f1-3dbf40ee7977

## Question Details:

passed property.association.single.fake

passed property.association.single.real

passed property.street.in.city.real

Sandy Donnelly

sandy9375@gmail.com

Security Level: Email, Account Authentication  
(None), Authentication

DocuSigned by:  
Sandy Donnelly  
CFAE36B94371480...

Using IP Address: 10.101.101.11

Sent: 5/16/2016 3:36:42 PM

Viewed: 5/17/2016 12:41:06 PM

Signed: 5/17/2016 12:45:29 PM

## Authentication Details

ID Check:

Transaction: 11020870531646

Result: failed

Vendor ID: LexisNexis

Type: iAuth

Recipient Name Provided by: Recipient

Information Provided for ID Check: Address,

SSN9, SSN4, DOB

Performed: 5/16/2016 8:38:10 PM

## Question Details:

failed property.street.in.city.real

failed corporate.association.real

failed livedat.subdivision.real

passed person.known.single.fake

failed corporate.association.real

passed property.association.single.real

<b>Signer Events</b>	<b>Signature</b>	<b>Timestamp</b>
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ID Check:

Transaction: 11020871026307

Result: passed  
 Vendor ID: LexisNexis  
 Type: iAuth  
 Recipient Name Provided by: Recipient  
 Information Provided for ID Check: Address,  
 SSN9, SSN4, DOB  
 Performed: 5/17/2016 12:40:48 PM

Question Details:

passed property.street.in.city.real  
 passed corporate.association.fake  
 failed county.lived.single.real  
 passed corporate.association.real  
 passed property.association.single.real  
 passed corporate.association.real

ID Check:

Transaction: 26020860037984

Result: passed  
 Vendor ID: LexisNexis  
 Type: iAuth  
 Recipient Name Provided by: Recipient  
 Information Provided for ID Check: Address,  
 SSN9, SSN4, DOB  
 Performed: 2/14/2017 12:25:50 PM

Question Details:

failed livedat.subdivision.real  
 passed person.known.single.fake  
 passed corporate.association.real  
 passed county.lived.single.real  
 passed corporate.association.real  
 passed property.association.single.real

Electronic Record and Signature Disclosure:

Accepted: 5/17/2016 12:41:06 PM  
 ID: f51e5155-7177-4a93-8d17-2d1aa2b67cf3

<b>In Person Signer Events</b>	<b>Signature</b>	<b>Timestamp</b>
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<b>Editor Delivery Events</b>	<b>Status</b>	<b>Timestamp</b>
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<b>Agent Delivery Events</b>	<b>Status</b>	<b>Timestamp</b>
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<b>Intermediary Delivery Events</b>	<b>Status</b>	<b>Timestamp</b>
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<b>Certified Delivery Events</b>	<b>Status</b>	<b>Timestamp</b>
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<b>Carbon Copy Events</b>	<b>Status</b>	<b>Timestamp</b>
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FANNIEMAE CLOSING TEAM  
 SL-REOFMNAUCCNTR@SERVICELINKFNF.CO  
 M

**COPIED**

Sent: 5/17/2016 12:45:32 PM

Security Level: Email, Account Authentication  
 (None)

Electronic Record and Signature Disclosure:

Not Offered via DocuSign  
 ID:

<b>Notary Events</b>	<b>Timestamp</b>
----------------------	------------------

<b>Envelope Summary Events</b>	<b>Status</b>	<b>Timestamps</b>
--------------------------------	---------------	-------------------

Envelope Sent	Hashed/Encrypted	5/17/2016 12:45:32 PM
Certified Delivered	Security Checked	5/17/2016 12:45:32 PM
Signing Complete	Security Checked	5/17/2016 12:45:32 PM
Completed	Security Checked	5/17/2016 12:45:32 PM

<b>Payment Events</b>	<b>Status</b>	<b>Timestamps</b>
-----------------------	---------------	-------------------

**Electronic Record and Signature Disclosure**

## **CONSUMER DISCLOSURE**

From time to time, Ten-X, its affiliates (including Auction.com) (Ten-X, we, or us) and Seller may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign, Inc. (DocuSign) electronic signing system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to these terms and conditions, please confirm your agreement by clicking the "I agree" button at the bottom of this document.

### **Getting paper copies**

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after signing session and, if you elect to create a DocuSign signer account, you may access them for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

### **Withdrawing your consent**

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

### **Consequences of changing your mind**

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. To indicate to us that you are changing your mind, you must withdraw your consent using the DocuSign "Withdraw Consent" form on the signing page of a DocuSign envelope instead of signing it. This will indicate to us that you have withdrawn your consent to receive required notices and disclosures electronically from us and you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

### **All notices and disclosures will be sent to you electronically**

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures

electronically from us.

**How to contact Ten-X and Seller:**

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: ooacontracts@ten-x.com

**To advise Ten-X and Seller of your new e-mail address**

To let us know of a change in your e-mail address where we should send notices and disclosures electronically to you, you must send an email message to us at ooacontracts@ten-x.com and in the body of such request you must state: your previous e-mail address, your new e-mail address. We do not require any other information from you to change your email address..

In addition, you must notify DocuSign, Inc. to arrange for your new email address to be reflected in your DocuSign account by following the process for changing e-mail in the DocuSign system.

**To request paper copies from Ten-X and Seller**

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an e-mail to ooacontracts@ten-x.com and in the body of such request you must state your e-mail address, full name, US Postal address, and telephone number. We will bill you for any fees at that time, if any.

**To withdraw your consent with Ten-X and Seller**

To inform us that you no longer want to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your DocuSign session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an e-mail to ooacontracts@ten-x.com and in the body of such request you must state your e-mail, full name, US Postal Address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

**Required hardware and software**

Operating Systems:	Windows® 2000, Windows® XP, Windows Vista®; Mac OS® X
Browsers:	Final release versions of Internet Explorer® 6.0 or above (Windows only); Mozilla Firefox 2.0 or above (Windows and Mac); Safari®, 3.0 or above (Mac only)
PDF Reader:	Acrobat® or similar software may be required to view and print PDF files
Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	Allow per session cookies

**\*\*** These minimum requirements are subject to change. If these requirements change, you will be asked to re-accept the disclosure. Pre-release (e.g. beta) versions of operating systems and browsers are not supported.

**Acknowledging your access and consent to receive materials electronically**

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please verify that you were able to read this electronic disclosure and that you also were able to print on paper or electronically save this page for your future reference and access or that you were able to e-mail this disclosure and consent to an address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format on the terms and conditions described above, please let us know by clicking the "I agree"™ button below.

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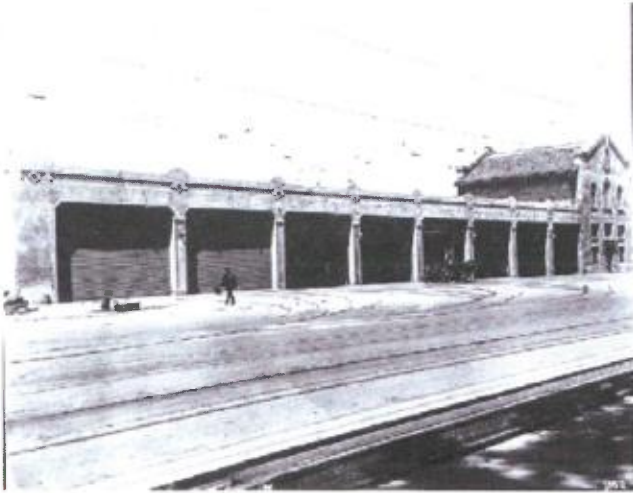
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- Until or unless I notify Ten-X and Seller as described above, I consent to receive from exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to me by Ten-X and Seller during the course of my relationship with you.

# THE LAUREL



- The site was **originally zoned for 21 units**. The Sponsor has worked with both Supervisors Farrell and Stefani since 2014 to **eliminate density controls to entitle 101 residential units** without requesting increases in height or building massing.
- The Sponsor willingly increased the on-site affordable housing from the grandfathered rate of 12% to 23% on-site at varying AMI levels to secure its initial entitlements.
- The Sponsor has remained committed to building the project with **100% union labor** – it made this commitment in 2014 when the project application was first filed.
- The project will create over **250 well-paying union labor jobs** if it is built
- The project has been in process for almost 6 years now. It took **18+ months for the City to approve the site permit application** that was submitted in 2017
- Construction **costs have risen by ~30% since the site permit application was filed 2 years ago**. The sponsor has worked with all the union labor trades to value-engineer the building to reduce costs as much as possible – for example, the sponsor has completely removed the underground parking and basement in accordance with Planning guidelines.
- There is currently private **financing in-place to start construction in April 2020 predicated on payment of the off-site in lieu fee**. With the inclusion of on-site BMRs, the project does **not** meet the required IRR parameters for lenders or investors due to the significant rise in construction costs. Numerous projects comprising thousands of units across the city are currently stalled due to the rise in construction costs.
- Sponsor has **full support from neighbors and community organizations to pay \$4.7mm off-site fee** and contribute to the city fund in order to build 100% affordable housing project elsewhere in the neighborhood. Sponsor has been working with Supervisor Stefani's office to identify a suitable location for the 100% affordable housing project.
- The site has been underdeveloped for almost a century – it has been shut down and vacant since 2015 due to rising operating costs for restaurants in San Francisco. It is **currently an attractive nuisance endangering the neighborhood**.
- There are thousands of USF college students and San Francisco residents who are in **desperate need of accessible housing in this neighborhood** and this project will deliver 101 units that are designed for students and young families. Without the ability to pay the off-site fee, the site will continue to be a vacant parking lot.
- There are numerous retailers and small businesses in the Laurel Heights neighborhood that will benefit from a **new development that will bring much needed activity to the area** and reduce the blight caused by this vacant building, assuming construction can begin immediately.

# A CENTURY IN THE MAKING



**1914:** Geary & Masonic was home to the Geary Car Barn, which was used for storage of Street Cars



**1949:** Belkin Storage occupied the building now occupied by Public Storage



**1950:** The view southeast from Belkin Storage shows land cleared to develop the City Center Shopping Center in the foreground



**1960-2017:** The Copper Penny Family Coffee Shop opens, the precursor to the Lucky Penny



**2014-2018:** PBV evaluates alternatives ranging from 21 multifamily units to mixed-use (shown) to the current design



**2020:** PBV to begin construction on a 101-unit multifamily building named "The Laurel" that pays tribute to the history of the site throughout its design elements