

BOARD OF APPEALS, CITY & COUNTY OF SAN FRANCISCO

Appeal of
LISA CACCAVO & FRIEDEMANN THOMMA,)
Appellant(s))
vs.)
DEPARTMENT OF BUILDING INSPECTION,)
Respondent)

Appeal No. **14-161**

NOTICE OF APPEAL

NOTICE IS HEREBY GIVEN THAT on September 18, 2014, the above named appellant(s) filed an appeal with the Board of Appeals of the City and County of San Francisco from the decision or order of the above named department(s), commission, or officer.

The substance or effect of the decision or order appealed from is the IMPOSITION OF PENALTY on September 16, 2014, for construction work done without a permit at 3647 - 22nd Street.

APPLICATION NO. 2013/07/08/1319

FOR HEARING ON November 19, 2014

Address of Appellant(s):

Address of Other Parties:

Lisa Caccavo & Friedemann Thomma, Appellants
3647 - 22nd Street
San Francisco, CA 94114

N/A



Date Filed:

BOARD OF APPEALS

SEP 18 2014

APPEAL # 14-161

CITY & COUNTY OF SAN FRANCISCO
BOARD OF APPEALS

PRELIMINARY STATEMENT OF APPEAL

I / We, **Lisa Caccavo and Friedemann Thomma**, hereby appeal the following departmental action: **IMPOSITION OF PENALTY** of regarding BPA NO. 2013/07/08/1319 by the Department of Building Inspection which was issued or became effective on: **September 16, 2014**, for the property located at: **3647-22nd Street**.

BRIEFING SCHEDULE:

The Appellant may, but is not required to, submit a one page (double-spaced) supplementary statement with this Preliminary Statement of Appeal. No exhibits or other submissions are allowed at this time.

Appellant's Brief is due on or before: **October 30, 2014, (no later than three (3) Thursdays prior to the hearing date)**, up to 12 pages in length, double-spaced, with unlimited exhibits, with (eleven) 11 copies delivered to the Board office by 4:30 p.m., and with additional copies delivered to the other parties the same day.

DBI
Respondent's and Other Parties' Briefs are due on or before: **November 13, 2014, (no later than one (1) Thursday prior to hearing date)**, up to 12 pages in length, doubled-spaced, with unlimited exhibits, with (eleven) 11 copies delivered to the Board office by 4:30 p.m., and with additional copies delivered to the other parties the same day.

Only photographs and drawings may be submitted by the parties at hearing.

Hearing Date: **Wednesday, November 19, 2014, 5:00 p.m., City Hall, Room 416, One Dr. Carlton B. Goodlett Place.**

All parties to this appeal must adhere to the briefing schedule above, however if the hearing date is changed, the briefing schedule MAY also be changed. Written notice will be provided of any change to the briefing schedule.

In order to have their documents sent to the Board members prior to hearing, **members of the public** should submit (eleven) 11 copies of all documents of support/opposition no later than one (1) Thursday prior to hearing date by 4:30 p.m. Please note that names and contact information included in submittals from members of the public will become part of the public record. Submittals from members of the public may be made anonymously.

Please note that in addition to the parties' briefs, any materials that the Board receives relevant to this appeal, including letters of support/opposition from members of the public, are distributed to Board members prior to hearing. All such materials are available for inspection at the Board's office. You may also request a copy of the packet of materials that are provided to Board members at a cost of 10 cents per page, per S.F. Admin. Code Ch. 67.28.

If you have any questions please call the Board of Appeals at 415-575-6880

The reasons for this appeal are as follows:

See attached

Appellant or Agent (Circle One):

Signature: _____

Print Name: _____

(Handwritten signature)
LISA CACCAVO

BOARD OF APPEALS

SEP 16 2014

APPEAL # 14-161

BUILDING ENLARGEMENT DESCRIPTION
 VERTICAL
 HORIZONTAL

MAY 08 2014
 APPROVED FOR ISSUANCE

BLDG. FORM 3/8

APPLICATION NUMBER
 2015 0708 1819.5

OSHA APPROVAL RECORD

\$12,000
 9X
 R/VB

APPROVED
 Dept. of Building Insp.
 Capacity Charges
 Water
 Sewer
 9/16/14

SEP 16 2014

2012 43223

APPLICATION FOR BUILDING PERMIT
 ADDITIONS, ALTERATIONS OR REPAIRS

CITY AND COUNTY OF SAN FRANCISCO
 DEPARTMENT OF BUILDING INSPECTION

FORM 3 OTHER AGENCIES REVIEW REQUIRED

FORM 6 OVER-THE COUNTER ISSUANCE

2 NUMBER OF PLAN SETS

APPLICATION IS HEREBY MADE TO THE DEPARTMENT OF BUILDING INSPECTION OF SAN FRANCISCO FOR PERMISSION TO BUILD IN ACCORDANCE WITH THE PLANS AND SPECIFICATIONS SUBMITTED HERewith AND ACCORDING TO THE DESCRIPTION AND FOR THE PURPOSE HEREINAFTER SET FORTH.

DO NOT WRITE ABOVE THIS LINE

DATE FILED 7/8/2013	PLUMB PER RECEIPT NO. 18012536	(1) STREET ADDRESS OF JOB 3647 22ND ST.	BLOCK & LOT 3627 145
PERMIT NO. 1336017	ISSUED SEP 16 2014	(2A) ESTIMATED COST OF JOB DCA FEE	(2B) REVISED COST \$28,000
		DATE 5-7-14	

INFORMATION TO BE FURNISHED BY ALL APPLICANTS

LEGAL DESCRIPTION OF EXISTING BUILDING					
(4A) TYPE OF CONSTR. V	(5A) NO. OF STORIES OF OCCUPANCY 2	(6A) NO. OF BASEMENTS AND CELLARS 1	(7A) PRESENT USE Garage/Storage	(8A) OCCUP. CLASS R3	(9A) NO. OF DWELLING UNITS 1
DESCRIPTION OF BUILDING AFTER PROPOSED ALTERATION					
(4) TYPE OF CONSTR. V	(5) NO. OF STORIES OF OCCUPANCY 2	(6) NO. OF BASEMENTS AND CELLARS 1	(7) PROPOSED USE (LEGAL USE) 2 UNIT	(8) OCCUP. CLASS R3	(9) NO. OF DWELLING UNITS 2
(10) IS AUTO RAMPWAY TO BE CONSTRUCTED OR ALTERED? NO	(11) WILL STREET SPACE BE USED DURING CONSTRUCTION? NO	(12) ELECTRICAL WORK TO BE PERFORMED? NO	(13) PLUMBING WORK TO BE PERFORMED? NO		
(14) GENERAL CONTRACTOR N/A Owner					
(15) OWNER - LESSEE (CROSS OUT ONE) OWNER					

(16) WRITE IN DESCRIPTION OF ALL WORK TO BE PERFORMED UNDER THIS APPLICATION (REFERENCE TO PLANS IS NOT SUFFICIENT)
 TO BE DONE TO COMPLY WITH THE CITY OF SAN FRANCISCO ORDINANCES AND TO COMPLY WITH THE NOV DATED 7-23-12-2012-43223

ADDITIONAL INFORMATION

(17) DOES THIS ALTERATION CREATE ADDITIONAL HEIGHT OR STORY TO BUILDING? NO	(18) IF (17) IS YES, STATE NEW HEIGHT AT CENTER LINE OF FRONT FT.	(19) DOES THIS ALTERATION CREATE DECK OR TERRACE EXTENSION TO BUILDING? NO	(20) IF (19) IS YES, STATE NEW ENLARGED FLOOR AREA SQ. FT.
(21) WILL SIDEWALK OVER SUB-SIDEWALK SPACE BE REPAIRED OR ALTERED? NO	(22) WILL BUILDING EXTEND BEYOND PROPERTY LINE? NO	(23) ANY OTHER EXISTING BLDG. ON LOT? IF YES, SHOW ON PLOT PLAN NO	(24) DOES THIS ALTERATION CONSTITUTE A CHANGE OF OCCUPANCY? NO
(25) ARCHITECT OR ENGINEER (DESIGN) CONSTRUCTION JES M. HILPE		CALIF. CERTIFICATE NO. (45) 512-5093	
(26) CONSTRUCTION LEADER (ENTER NAME AND BRANCH DESIGNATION IF ANY, IF THERE IS NO KNOWN CONSTRUCTION LEADER, ENTER "UNKNOWN") ADDRESS			

IMPORTANT NOTICES

No change shall be made in the character of the occupancy or use without first obtaining a Building Permit authorizing such change. See San Francisco Building Code and San Francisco Housing Code.

No portion of building or structure or scaffolding used during construction, to be closer than 60" to any wire containing more than 750 volts. See Sec 385, California Penal Code.

Pursuant to San Francisco Building Code, the building permit shall be posted on the job. The owner is responsible for approval plans and application being kept at building site.

Grade lines as shown on drawings accompanying this application are assumed to be correct. If actual grade lines are not the same as shown, revised drawings showing correct grade lines, cuts and fills together with complete details of retaining walls and soil fastings required must be submitted to this department for approval.

ANY STIPULATION REQUIRED HEREIN OR BY CODE MAY BE APPEALED.

BUILDING NOT TO BE OCCUPIED UNTIL CERTIFICATE OF FINAL COMPLETION IS POSTED ON THE BUILDING OR PERMIT OF OCCUPANCY GRANTED, WHEN REQUIRED.

APPROVAL OF THIS APPLICATION DOES NOT CONSTITUTE AN APPROVAL FOR THE ELECTRICAL WIRING OR PLUMBING INSTALLATIONS. A SEPARATE PERMIT FOR THE WIRING AND PLUMBING MUST BE OBTAINED. SEPARATE PERMITS ARE REQUIRED IF ANSWER IS "YES" TO ANY OF ABOVE QUESTIONS (10) (11) (12) (13) (22) OR (24).

THIS IS NOT A BUILDING PERMIT. NO WORK SHALL BE STARTED UNTIL A BUILDING PERMIT IS ISSUED.

In drawings all insulating materials must have a clearance of not less than two inches from all electrical wires or equipment.

CHECK APPROPRIATE BOX
 OWNER
 LESSEE
 CONTRACTOR
 ARCHITECT
 AGENT
 ENGINEER

APPLICANT'S CERTIFICATION

I HEREBY CERTIFY AND AGREE THAT IF A PERMIT IS ISSUED FOR THE CONSTRUCTION DESCRIBED IN THIS APPLICATION, ALL THE PROVISIONS OF THE PERMIT AND ALL LAWS AND ORDINANCES THERE TO WILL BE COMPLIED WITH.

NOTICE TO APPLICANT

HOLD HARMLESS CLAUSE. The permittee(s) by acceptance of the permit, agree(s) to indemnify and hold harmless the City and County of San Francisco from and against any and all claim, demands and actions for damages resulting from operations under this permit, regardless of negligence of the City and County of San Francisco, and to assume the defense of the City and County of San Francisco against all such claims, demands or actions.





In conformity with the provisions of Section 3800 of the Labor Code of the State of California, the applicant shall have coverage under (i), or (ii) designated below or shall indicate item (iii), or (iv), or (v), whichever is applicable. If however item (v) is checked item (iv) must be checked as well. Mark the appropriate method of compliance below.

I hereby affirm under penalty of perjury one of the following declarations:

- I have and will maintain a certificate of consent to self-insure for worker's compensation, as provided by Section 3700 of the Labor Code, for the performance of the work for which this permit is issued.
- I have and will maintain worker's compensation insurance, as required by Section 3700 of the Labor Code, for the performance of the work for which this permit is issued. My worker's compensation insurance carrier and policy number are:
 Carrier _____
 Policy Number _____
- The cost of the work to be done is \$100 or less.
- I certify that in the performance of the work for which this permit is issued, I shall not employ any person in any manner so as to become subject to the workers' compensation laws of California. I further acknowledge that I understand that in the event that I should become subject to the workers' compensation provisions of the Labor Code of California and fail to comply therewith with the provisions of Section 3800 of the Labor Code, that the permit herein applied for shall be deemed revoked.
- I certify as the owner (or the agent for the owner) that in the performance of the work for which this permit is issued, I will employ a contractor who complies with the workers' compensation laws of California and who, prior to the commencement of any work, will file a completed copy of this form with the Central Permit Bureau.

Signature of Applicant or Agent _____ Date 7/8/13
 OFFICE COPY

CONDITIONS AND STIPULATIONS

REFER TO:	APPROVED:  David Pang, DBI MAY 07 2014 _____ BUILDING INSPECTOR, DEPT. OF BLDG. INSP.	DATE: _____ REASON: _____ NOTIFIED MR. _____
<input type="checkbox"/>	APPROVED: PER PLANS 8/30/13, SIDE ENTRY ON EAST SIDE. CHANGE OF USE FROM SINGLE-FAMILY TO TWO FAMILY DWELLING. NEW STREET TREE.  DEPARTMENT OF CITY PLANNING JEFF SPEIRS 4/9/14	DATE: _____ REASON: _____ NOTIFIED MR. _____
<input type="checkbox"/>	APPROVED:  _____ BUREAU OF FIRE PREVENTION & PUBLIC SAFETY	DATE: _____ REASON: _____ NOTIFIED MR. _____
<input type="checkbox"/>	APPROVED: _____ _____ MECHANICAL ENGINEER, DEPT. OF BLDG. INSPECTION	DATE: _____ REASON: _____ NOTIFIED MR. _____
<input type="checkbox"/>	APPROVED: _____ _____ CIVIL ENGINEER, DEPT. OF BLDG. INSPECTION	DATE: _____ REASON: _____ NOTIFIED MR. _____
<input type="checkbox"/>	APPROVED: DPW/BSM SIGN OFF ON JOB CARD REQUIRED PRIOR TO DBI FINAL CALL 534-7149 TO SCHEDULE By <u>LTC 4-24-14</u> Long Tian Cy, DPW/BSM _____ BUREAU OF ENGINEERING	DATE: _____ REASON: _____ NOTIFIED MR. _____
<input type="checkbox"/>	APPROVED: _____ SFPUC <u>Laura Arriola</u> Laura Arriola 4/29/14 _____ DEPARTMENT OF PUBLIC HEALTH	DATE: _____ REASON: _____ NOTIFIED MR. _____
<input type="checkbox"/>	APPROVED:  _____ TO COMPLY WITH HOUSING INSPECTION DIVISION NOTICE(S) OF VIOLATION ISSUED ON _____, COMPLAINT TRACKING #_____ TO LEGALIZE OR COMPLETELY REMOVE WITH PERMIT, THE EXISTING ILLEGAL OCCUPANCY. A NEW CERTIFICATE OF FINAL COMPLETION AND OCCUPANCY MUST BE ISSUED WITH THIS PERMIT IF IT RECEIVES FINAL SIGN-OFF. PURSUANT TO SECTION 107.5 AND SECTION 110, TABLE 1-K OF THE C.F. BUILDING CODE A \$K _____ OR A 2X _____ PENALTY IS IMPOSED FOR WORK WITHOUT PERMIT.	DATE: _____ REASON: _____ NOTIFIED MR. _____
<input checked="" type="checkbox"/>	FOR WORK STATED ONLY _____ HOUSING INSPECTION DIVISION	DATE: _____ REASON: _____ NOTIFIED MR. _____

I agree to comply with all conditions or stipulations of the various bureaus or departments noted on this application, and attached statements of conditions or stipulations, which are hereby made a part of this application.

Number of attachments


 OWNER'S AUTHORIZED AGENT



Date Filed:

BOARD OF APPEALS

SEP 18 2014

APPEAL # 14-161

**City & County of San Francisco
BOARD OF APPEALS**

PENALTY APPEAL QUESTIONNAIRE

Under San Francisco Building Code Section 107A.5, a property owner or owner's agent may appeal the amount of a penalty imposed for work done with out a permit if they can provide just cause, such as unfamiliarity with the Building Code or demonstrable negligence on the part of one of their employees.

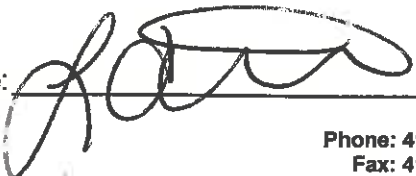
All appeals must be filed in person by the property owner or the owner's authorized agent. You may complete this form at the time of filing or in advance and bring it to the Board of Appeals office when you file your appeal. Please call the Board at 415-575-6880 with any questions and to set up an appointment.

Please answer the following questions:

1. Your relationship to the property involved (owner, contractor, etc.): Owner
2. When the work was done: 2009
3. Who did the work: Previous Owner
4. Did you or the present owner own or possess the property when the work was performed? Yes No
if "NO" please state when the property was acquired: November 2011
5. Describe the unpermitted work performed and how much work, if any, remains to be done:
Storage space below the existing kitchen was converted into an illegal unit by prior owner.
6. State your occupation (if retired, your former occupation). If you are a co-owner of the property, list all other owners and their occupations:
Lisa Caccavo: Stay at Home Mother; Friedemann Thomma: Tax attorney
7. Do you own other property in San Francisco? Yes No
8. Have you owned property in San Francisco before? Yes No
9. Were you aware of the permit requirements for this work? Yes No
10. List and describe other permits you have been granted by the City:
Application/Permit 201307081319 was granted to cure the violation caused by prior owners.
11. If one of your employees was negligent in regard to this permit application, please explain:

12. If you are submitting copies of the Sales Agreement, 3-R Report and/or Disclosure Statement, please explain why: Prior owners failed to properly disclose the work done in the lower unit and that no permits were obtained
13. Additional information you want the Board to consider (you may attach additional pages if needed):
Please see attached

Print Name: LISA CACCAVO

Signature: 

Additional Information:

In April 2007, the former owners purchased the Property at 3647 22nd street. In 2009, the former owners were issued a building permit for “Construction and repair of the foundation; new lowered sog at rear of lowest level.” See Building Permit No. 200908195120. In September 2011, the former owners listed the Property referencing an “in-law unit,” which included a kitchen, bathroom and bedroom in the lower space of the Property. See Exhibit A, which is the advertisement materials that were received during the open house of the property. The current owners, Lisa Caccavo and Friedemann Thomma requested the disclosures for the Property. A copy of the disclosures are attached as Exhibit B.

The current owners with the assistance of their real estate agent, Paragon, reviewed the disclosures, including the description of work done without permits on Page 4 of Exhibit B. The current owners understood the description of this work to be that only the kitchen and bathroom itself were re-done without permits. Because nothing else was described, the current owners and the current owner’s real estate agent thought that the space was otherwise legal living space, which was consistent with the advertisement materials.

The disclosures did not contain any mention of the bedroom having been created without permits, nor is there any description that the electrical and plumbing having been installed without permits. In addition, under the section where the prior owners were asked to disclose whether any alterations had been performed on the property, they *did not* mention that the entire unit was remodeled without permits. See Exhibit B, pg. 7, answers to questions B.1 and B.2. Indeed, the prior owners describe architectural plans for an “expansion” and “remodel” to the “in-law unit.” Ex. B. at pg. 8, answer to question C.3. As a result, the current owners thought that space was legal living space and that the kitchen and bathroom were remodeled without permits.

The current owners purchased the property on November 1, 2011. On July 2, 2012, a building inspector, Mr. Steve Mungovan, from the San Francisco Department of

Building Inspection (“City”) came to the Property and asked to inspect the Property based on an anonymous complaint the City received (the “Complaint”). On July 13, 2012, Mr. Mungovan inspected the Property based on the Complaint that there was a “possible illegal unit behind the garage ground floor, w/kitchen, bathroom, & separate entrance.” Id. During the inspection, the current owners were informed by Mr. Mungovan that the only permits that were issued for the space was to install a drain and a sump-pump. There were no permits requested or issued for any of the plumbing, electrical, or interior remodel work done in the “in-law unit.” Based on the City records, the space was considered “storage” or “crawl space” and not living space. Mr. Mungovan informed the current owners that in order to cure the Complaint, the current owners must either revert the space back to its original condition as storage or attempt to legalize the space as living space by going through the San Francisco Planning Department. On July 23, 2012, Mungovan issued the First Notice of Violation (“NOV”) on the Property. See Exhibit C.

On July 8, 2013, we submitted Permit Application No. 2013/07/08/1319 to the Planning Department in order to cure the NOV on the Property. We are seeking a reduction in the nine (9) times penalty assessed for the permits to cure the NOV. We did not know the extent of the illegally constructed space when we purchased the property, nor that we would be required to spend more than \$20,000 to fix a portion of the property that was remodeled by the prior owners. Indeed, we thought we were purchasing “improvements” on the property – not liabilities caused by a prior owner. We are working in good faith with the Planning Department and Building Department to bring the non-conforming space up to code – including obtaining the variance needed for the Property.

CENTRAL PERMIT BUREAU
 1660 Mission Street
 San Francisco, California 94103

Receipt No: 1336013
 Application/Permit No: 201307081319

CITY AND COUNTY OF SAN FRANCISCO
 DEPARTMENT OF BUILDING INSPECTION
 (415)558-6088

PERMIT IS GRANTED TO

- ERECT ALTER BUILDING ERECT SIGN DATE OF ISSUE 16-SEP-14
- DEMOLISH BUILDING GRADE FILING FEE RECEIPT # 13072536
- LOWER CURB OCCUPY STREET SPACE
- EXCAVATE STREET OR SIDEWALK POST NOTICE
- HOUSE NUMBER CERTIFICATE REPAIR OR CONSTRUCT SIDEWALK

SUPPLEMENTAL FEE PAID:

- FINAL PLAN CHECK EXPEDITER FEE PENALTY
- STRUCTURAL LTR DCP FEE

OWNER: LISA CACCAVO FRIEDEMANN THOMMA (415)424-4642

LOCATION OF JOB: _____ HOUSE NUMBER: _____ EXISTING ASSIGNED
 STREET ADDRESS: 3647 22ND ST 3627/045 BLOCK/LOT

BOARD OF APPEALS

SEP 18 2014

APPEAL # 14-111

METES AND BOUNDS

FRONTAGE FT. 2 # STORIES 5 TYPE R-3 LEGAL OCCUPANCIES _____
 BUILDING USE 2 FAMILY DWELLING ESTIMATED COST \$ 28,000.00
 SIDEWALK SQ. FTGE _____ ST. SPACE LINEAR FT. 25 9 FT. CURB SECT. TO BE LOWERED _____
 PARKING METER LINEAR FT. _____ PARKING METER DAYS _____

WORK MUST COMMENCE ON BUILDING WITHIN TIME PER CODE. UNLESS EXTENSION AUTHORIZED PRIOR TO EXPIRATION. IF UNDER ENFORCEMENT ORDERS, SPECIAL TIME PERIODS SPECIFIED IN NOTICE OF VIOLATION OR ABATEMENT ORDER WILL APPLY.

TIME FOR COMPLETION OF WORK UNDER THIS BUILDING PERMIT EXPIRES 360 Days AFTER DATE OF ISSUANCE. IF UNDER ENFORCEMENT ORDERS, SPECIAL TIME PERIODS WHERE SPECIFIED WILL APPLY. (NOTE: STREET SPACE PERMIT EXPIRES ON COMPLETION OF WORK OR WHEN REVOKED BY DIRECTOR OF PUBLIC WORKS. SEE BACK OF FORM FOR OTHER TIME LIMITS.)

LISA CACCAVO 415-424-4642

PERMIT 1336013

FEE PAYOR 3647 22ND ST APPEAL _____
 ADDRESS SAN FRANCISCO CA 94114 CENTRAL PERMIT BUREAU-D.B.I. SHEKKATHY
 CITY _____

SEPARATE PERMITS MUST BE OBTAINED FOR ELECTRICAL, PLUMBING OR OTHER RELATED WORK
 9003-18(Rev.10/96)

THIS PERMIT IS GRANTED IN ACCORDANCE WITH PROVISIONS OF THE CHARTER AND ORDINANCES OF THE CITY AND COUNTY OF SAN FRANCISCO AND/OR THE CURRENT STANDARD SPECIFICATIONS OF THE DEPARTMENT OF BUILDING INSPECTION

* ADDITIONAL INFORMATION REGARDING SPECIFIC PERMITS IS GIVEN ON THE BACK OF THIS FORM.

DBI P/C PAID AT FILING \$174.97

AUDITED FOR REFUND

SITE PERMIT P/C SURCHG	500.00
STRUCTURAL	48.00
ST. SPACE	1,000.00
PENALTY	1,520.10
TECH SURCHARGE	61.37

SURCHARGE 0.00
 BOA SURCHARGE 56.27

SUBTOTAL OF FEES WITH APPLICABLE SURCHARGES \$3,185.74

STRONG MOTION	3.64
SUBTOTAL OTHER FEES	3.64
TOTAL	\$3,189.38

BOARD OF APPEALS
CITY & COUNTY OF SAN FRANCISCO

BOARD OF APPEALS
OCT 30 2014
APPEAL # 14-161

Appeal of

LISA CACCAVO & FRIEDEMANN THOMMA,)
Appellant(s))

Appeal No. 14-161

vs.)

DEPARTMENT OF BUILDING INSPECTION,)
Respondent)

APPELLANT'S BRIEF

Appellants Lisa Caccavo and Friedemann Thomma ("Appellants" or "Thomma") hereby request the Board of Appeals to reduce the penalty of \$1520.10 imposed on their building permits as a result of the July 23, 2012 Notice of Violation issued on the subject property, 3647 22nd Street, San Francisco, 94114 ("Property"). See Exhibit A. Appellants are the current owners of the Property and purchased the Property on November 1, 2011. A description of the advertised state of the Property can be found in the attached marketing flyer (Exhibit B) and Disclosures (Exhibit C).

In April 2007, the prior owners purchased the Property at 3647 22nd street. In 2009, the prior owners were issued a building permit for "Construction and repair of the foundation; new lowered sog at rear of lowest level." See Building Permit No. 200908195120, available at <http://dbiweb.sfgov.org/dbipts/default.aspx?page=PermitDetails>. In September 2011, the former owners listed the Property for sale on the Multiple Listing Service ("MLS"), referencing an "in-law unit," which included a kitchen, bathroom and bedroom in the lower space of the Property. In addition to the MLS listing, the former owners and their agents prepared and handed out marketing materials describing the Property. See Exhibit B. Appellants, Lisa

Caccavo and Friedemann Thomma, toured the Property and requested the disclosures for the Property in advance of submitting an offer. A copy of the disclosures is attached as Exhibit C.

Appellants, with the assistance of their real estate agent, Paragon, reviewed the disclosures, including the description of work done on the lower “in-law unit” without permits on Page 4 of Exhibit C. Appellants understood the description of this work to be that only the kitchen and bathroom itself were re-done without permits. Because nothing else was described, Appellants and their real estate agent thought that the space was otherwise legal living space, which was consistent with the advertisement materials.

The disclosures did not contain any mention of the “in-law unit” bedroom having been created without permits, nor is there any description that the electrical and plumbing were installed without permits. In addition, under the section where the prior owners were asked to disclose whether any alterations had been performed on the property, they *did not* mention that the entire unit was remodeled without permits. See Exhibit C, pg. 7, answers to questions B.1 and B.2. Indeed, the prior owners describe architectural plans for an “expansion” and “remodel” to the “in-law unit.” Ex. C. at pg. 8, answer to question C.3. As a result, Appellants thought that the “in-law unit” was legal living space and that the kitchen and bathroom were remodeled without permits.

Appellants subsequently purchased the property on November 1, 2011. On July 2, 2012, a building inspector, Mr. Steve Mungovan, from the San Francisco Department of Building Inspection (“City”) came to the Property and asked to inspect the Property based on an anonymous complaint the City received (the “Complaint”). On July 13, 2012, Mr. Mungovan inspected the Property based on the Complaint that there was a “possible illegal unit behind the garage ground floor, w/kitchen, bathroom, & separate entrance.” Id. During the inspection,

Appellants were informed by Mr. Mungovan that the only permits that were issued for the space was to install a drain and a sump-pump. There were no permits requested or issued for any of the plumbing, electrical, or interior remodel work done to the “in-law unit.” Based on the City records, the space was considered “storage” or “crawl space” and not living space. Mr. Mungovan informed Appellants that in order to cure the Complaint, the current owners must either revert the space back to its original condition as storage or attempt to legalize the space as living space by going through the San Francisco Planning Department. On July 23, 2012, Mungovan issued the First Notice of Violation (“NOV”) on the Property. See Exhibit A.

On July 8, 2013, Appellants submitted Permit Application No. 2013/07/08/1319 to the Planning Department in order to cure the NOV on the Property. Appellants are seeking a reduction in the nine (9) times penalty assessed for the permits to cure the NOV. Appellants are first time property owners and did not know the extent of the illegally constructed space when they purchased the property, nor that Appellants would be required to spend more than \$20,000 to fix a portion of the property that was “remodeled” by the prior owners. Indeed, Appellants thought they were purchasing “improvements” on the property – not liabilities caused by a prior owner. Appellants are working in good faith with the Planning Department and Building Department to bring the non-conforming space up to code – including obtaining the variance needed for the Property.

Respectfully Submitted,


By: 
Friedemann Homma
Lisa Caccavo

EXHIBIT A



City and County of San Francisco
 Department of Building Inspection
 1660 Mission Street
 San Francisco, CA 94103

COMPLAINT DATA SHEET

COMPLAINT NUMBER : 201243223

OWNER/AGENT: THOMMA FRIEDEMANN & CACCAVO LI
 THOMMA FRIEDEMANN & CACCAVO
 3647 22ND ST
 SAN FRANCISCO CA

DATE FILED: 02-JUL-12
 LOCATION: 3647 22ND ST
 BLOCK: 3627 LOT: 045
 SITE: 3647 22nd St.

OWNER'S PHONE --
 CONTACT NAME
 CONTACT PHONE --

RATING: OCCUPANCY CODE R-3
 RECEIVED BY: May Pasion DIVISION: HIS
 COMPLAINT SOURCE: TELEPHONE

COMPLAINANT: Anonymous

ASSIGNED TO DIVISION: HIS

SAN FRANCISCO

COMPLAINANT'S PHONE --

DESCRIPTION: Possible illegal unit behind garage ground floor, w/kitchen, bathroom & separate entrance.
 INSTRUCTIONS:

INSPECTOR INFORMATION

DIVISION	INSPECTOR	ID	DISTRICT	PRIORITY
HIS	MUNGOVAN	6239	14	

REFERRAL INFORMATION

DATE	REFERRED BY	TO	COMMENT
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COMPLAINT STATUS AND COMMENTS

DATE	TYPE	DIVISION	INSPECTOR	STATUS	COMMENT
02-JUL-12	CASE OPENED	HIS	S MUNGOVAN	CASE RECEIVED	
02-JUL-12	ILLEG CNVRSN/# UNITS	HIS	S MUNGOVAN	INSPECTION OF PREMISES MADE	Inspector Steve Mungovan attempted to investigate the complaint at the subject property but was unable to gain entry. Left DBI "no entry" door handle card with inspectors contact info at front entry.
03-JUL-12	ILLEG CNVRSN/# UNITS	HIS	S MUNGOVAN	CASE UPDATE	Inspection 7/13/12 @ 10:30a.
16-JUL-12	ILLEG CNVRSN/# UNITS	HIS	S MUNGOVAN	REINSPECTION 1	On 7/13/12 Inspector Steve Mungovan investigated the complaint at the subject property and observed: a one bedroom apartment with full bath and kitchen located on the ground floor behind the garage.



City and County of San Francisco
 Department of Building Inspection
 1660 Mission Street
 San Francisco, CA 94103

COMPLAINT DATA SHEET

COMPLAINT NUMBER : 201243223

COMPLAINT STATUS AND COMMENTS

DATE	TYPE	DIVISION	INSPECTOR	STATUS	COMMENT
16-JUL-12	ILLEG CNVRSN/# UNITS	HIS	S MUNGOVAN	PERMIT RESEARCH	Permit history request made.
23-JUL-12	ILLEG CNVRSN/# UNITS	HIS	S MUNGOVAN	FIRST NOV SENT	

COMPLAINT ACTION BY DIVISION

DIVISION	DATE	DESCRIPTION	ACTION COMMENT
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NOV (HIS)	NOV (BID)
	23-JUL-12



NOTICE OF VIOLATION

of the San Francisco Municipal Codes Regarding Unsafe,
Substandard or Noncomplying Structure or Land or Occupancy

DEPARTMENT OF BUILDING INSPECTION
City and County of San Francisco
1660 Mission St. San Francisco, CA 94103

NOTICE: 1

NUMBER: 201243223
DATE: 23-JUL-12

ADDRESS: 3647 22ND ST

OCCUPANCY/USE: R-3 (RESIDENTIAL- 1 & 2 UNIT DWELLINGS, TOWNHOUSES) BLOCK: 3627 LOT: 045

If checked, this information is based upon site-observation only. Further research may indicate that legal use is different. If so, a revised Notice of Violation will be issued.

OWNER/AGENT: THOMMA FRIEDEMANN & CACCAV
MAILING THOMMA FRIEDEMANN & CACCAV
ADDRESS 3647 22ND ST
SAN FRANCISCO CA

PHONE #: --

completion of work by 10/22/2012

94114

PERSON CONTACTED @ SITE: THOMMA FRIEDEMANN & CACCAVO LI

PHONE #: --

VIOLATION DESCRIPTION:

VIOLATION DESCRIPTION:	CODE/SECTION#
<input checked="" type="checkbox"/> WORK WITHOUT PERMIT	106.1.1
<input type="checkbox"/> ADDITIONAL WORK-PERMIT REQUIRED	106.4.7
<input type="checkbox"/> EXPIRED OR <input type="checkbox"/> CANCELLED PERMIT PA#:	106.4.4
<input type="checkbox"/> UNSAFE BUILDING <input type="checkbox"/> SEE ATTACHMENTS	102.1

The legal use of this building is an R-3 occupancy with one dwelling unit on two floors of occupancy over a garage/basement. Presently there are two dwelling units on three floors of occupancy. Permit research failed to produce evidence to show that any valid permits were issued to alter or remodel this building to its present use.

The following life hazards were noted at the building at the time of inspection:

- *Work without permit (106.1.1 SFHC)
- *There is unapproved wiring and unapproved plumbing (1001d,e,f SFHC)
- *There is no certainty that the required one hour fire resistant materials were used at the time of construction (601 SFHC)
- *Improper occupancy (3406 CBC; 1001o SFHC)
- *The conditions found within this building constitutes a public nuisance (401, 1001d SFHC)
- *No smoke detectors (909 SFHC)
- *No emergency means of egress (801-4 SFHC)
- *Insufficient natural light and ventilation, posing a serious life hazard to the building occupants (504a SFHC)
- *Prohibited use of cooking/sleeping and bathroom facilities (505 & 709 SFHC)

CORRECTIVE ACTION:

- STOP ALL WORK SFBC 104.2.4 415-558-6496
- FILE BUILDING PERMIT WITHIN DAYS (WITH PLANS) A copy of This Notice Must Accompany the Permit Application
- OBTAIN PERMIT WITHIN 30 DAYS AND COMPLETE ALL WORK WITHIN 90 DAYS, INCLUDING FINAL INSPECTION SIGNOFF.
- CORRECT VIOLATIONS WITHIN DAYS. NO PERMIT REQUIRED
- YOU FAILED TO COMPLY WITH THE NOTICE(S) DATED , THEREFORE THIS DEPT. HAS INITIATED ABATEMENT PROCEEDINGS.
- FAILURE TO COMPLY WITH THIS NOTICE WILL CAUSE ABATEMENT PROCEEDINGS TO BEGIN. SEE ATTACHMENT FOR ADDITIONAL WARNINGS.

INVESTIGATION FEE OR OTHER FEE WILL APPLY

- 9x FEE (WORK W/O PERMIT AFTER 9/1/60) 2x FEE (WORK EXCEEDING SCOPE OF PERMIT)
- OTHER: REINSPECTION FEE \$ NO PENALTY (WORK W/O PERMIT PRIOR TO 9/1/60)



NOTICE OF VIOLATION
of the San Francisco Municipal Codes Regarding Unsafe,
Substandard or Noncomplying Structure or Land or Occupancy

APPROX. DATE OF WORK W/O PERMIT

VALUE OF WORK PERFORMED W/O PERMITS \$12000

BY ORDER OF THE DIRECTOR, DEPARTMENT OF BUILDING INSPECTION

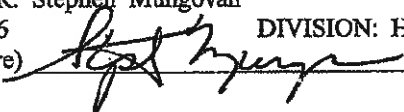
CONTACT INSPECTOR: Stephen Mungovan

PHONE # 415-558-6496

DIVISION: HIS

DISTRICT : 14

By:(Inspector's Signature)





NOTICE OF VIOLATION

of the San Francisco Municipal Codes Regarding Unsafe,
Substandard or Noncomplying Structure or Land or Occupancy

Pursuant to SFBC 304(e) and 332.3 investigation fees are charged for work begun or performed without permits or for work exceeding the scope of permits. Such fees may be appealed to the Board of Permit Appeals within 15 days of permit issuance, at 875 Stevenson St., 4th floor. 554-6720

WARNING: Failure to take immediate action as required to correct the above violations will result in abatement proceedings by the Department of Building Inspection. If an Order of Abatement is recorded against this property, the owner will be billed or the property will be liened for all costs incurred in the code enforcement process from the posting of the first "Notice of Violation" until all costs are paid. SFBC 203(b) & 332.3

WARNING: Section 204 of the San Francisco Housing Code provides for immediate fines of \$100 for each instance of initial non-compliance, followed by \$200 fines per violation for the second instance of non-compliance, up to a maximum of \$7,500 per building. This section also provides for issuance of a criminal charge as a misdemeanor for each violation, resulting in fines of not less than \$1,000 per day or six months' imprisonment or both.

WARNING: Anyone who derives rental income from housing determined by the Department of Building Inspection to be substandard cannot deduct from state personal income tax and bank and corporate income tax interest, depreciation or taxes attributable to such substandard structure. If correction work is not completed or being diligently, expeditiously and continuously prosecuted after six (6) months from the date of this notice, notification will be sent to the Franchise Tax Board as provided in Section 17264(c) of the Revenue and Taxation Code.

WARNING: Section 205(a) of the San Francisco Building Code provides for civil fines of up to \$500 per day for any person who violates, disobeys, omits, neglects or refuses to comply with or opposes the execution of any provisions of this code. This section also provides for misdemeanor fines, if convicted, of up to \$500 and/or imprisonment up to six months for each separate offense for every day such offense occurs.

De acuerdo a las Secciones 304(e) y 332.3 de el Código de Construcción de Edificios de San Francisco, gastos de investigación serán cobrados por trabajo empezado o realizado sin los debidos permisos o por trabajo que exceda el límite estipulado en los permisos. Dichos cobros pueden ser apelados ante la Junta de Apelaciones de Permisos (Board of Permit Appeals) dentro de los primeros quince días de haberse obtenido el permiso. Las apelaciones se hacen en el 875 de la calle Stevenson, cuarto piso, teléfono 554-6720.

ADVERTENCIA: Si no cumple con las acciones inmediatas requeridas para corregir las infracciones, el Departamento de Inspección de Edificios tendrá el derecho de iniciar el proceso de mitigación. Si una Orden de Mitigación es registrada contra dicha propiedad, los gastos incurridos durante el proceso de aplicación del código, desde la primera puesta del Aviso de Infracción hasta que todos los gastos estén pagados, se le cobrarán al dueño del edificio o la propiedad será embargada para recuperar dichos gastos. Referencia a la Sección 203(b) y 332.3 de el Código de Construcción de Edificios.

ADVERTENCIA: La Sección 204 de el Código de Vivienda de San Francisco permite que se multe inmediatamente \$100 por cada primer caso de inconformidad, seguida por una multa de \$200 por cada segunda infracción de inconformidad, aumentando hasta un máximo de \$7,500 por cada edificio. Esta Sección también permite obtener cargos criminales como delito menor, resultando en multas de no menos de \$1,000 diarios ó 6 meses de encarcelamiento o ambas sanciones.

ADVERTENCIA: Cualquiera persona que reciba renta por una vivienda que haya sido declarada que no satisface las normas requeridas por el Departamento de Inspección de Edificios, no puede deducir del estado intereses personales, de banco o empresa, depreciación o taxes atribuidos sobre dicha estructura. Si el trabajo de reparación no se termina o está diligentemente, rápidamente y continuamente acusado después de seis (6) meses de la fecha de este aviso, se le enviará una notificación a la Junta de Concesión de Impuestos (Franchise Tax Board) de acuerdo a la Sección 1264(c) del Código de Ingresos e Impuestos (Revenue and Taxation Code).

ADVERTENCIA: La Sección 205(a) de el Código de Edificios de San Francisco impone multas civiles hasta de \$500 por cada día a cualquier persona que infrinja, desobedezca, omita, descuide, rehusa cumplir, resiste o se opone a la ejecución de las provisiones de este código. Esta sección también impone multas por delito menor, si es declarado culpable, de hasta \$500 o encarcelamiento de hasta 6 meses, o ambas sanciones, por cada una de las ofensas y por cada día que dicha ofensa ocurra.

根據《三藩市建築法規》(簡稱 SFBC) 第 304(e) 項和第 332.3 項條款的規定，對沒有許可證便已開始的工程或正在進行的工程，或有超越許可範圍的工程，將收取調查費。當事人可以在許可證發出日起 15 天之內，向該會可以向上訴委員會提出上訴。該委員會地址在 Stevenson 街 875 號 4 樓，電話：554-6720。

警告：任何人通過出租房屋獲得收入，而該房屋已被建築師判定為不符合規定標準者，不能從加州個人所得稅、銀行和公司所得稅利息、以及與該房屋規定標準的商業有關的新舊貸款中扣除稅費。如果在此通告公布六個月後，改正工程沒有完成，或者沒有積極、迅速有效地繼續進行，我們將根據《國家稅收法規》(即 Revenue & Taxation Code) 第 1264(c) 項條款，通知加州稅務委員會 (The Franchise Tax Board)。

警告：如不按照要求立即採取行動，以糾正上述違章行為，將導致建築師陪同附帶強制糾正程序的執行。倘若此房地產所有權人強制糾正程序令一經在市府備案，則自違章通知張貼日起的各項與此糾正程序有關的費用，將向房地產主收取，或將房地產扣押，直至付清各項費用。請參閱《三藩市建築法規》第 203(b) 項和第 332.3 項條款。

警告：《三藩市建築法規》第 205(a) 項條款規定：對於任何違反、不服從、疏忽、忽視、或拒絕遵照此法規者，或者抵制、反對實施此法規中的任何條款的個人，將付最高 500 元的民事罰款。此法規還規定對違法者，如果就定罪，對每天所發生的、每一單獨的犯法行為，將付予最高 500 元的罰款，和/或者監禁六個月。

警告：《三藩市房屋法規》(即 SFHC) 第 204(b) 項條款規定：對每一違章初犯者立即將罰款 100 元，二次違章者罰款 200 元，每種違章的最高罰款可達 7,500 元。此項法規還規定對每一違章罪者可能出刑事控告，每日最高罰款可達 1,000 元，或/者監禁六個月。

EXHIBIT B

NOE VALLEY



3647

22nd Street

presented by

Bob Wheeler and Ruth Dawson



3647 22nd Street

A Lovely Victorian with Views of Noe Valley & Downtown

This updated Noe Valley Victorian home is perched on the top of the hill of 22nd Street. The spacious home has many classic elements of a San Francisco Victorian such as period moldings and high ceilings. The property has been beautifully maintained.

With three spacious bedrooms, two full baths, a formal dining room, a living room with fireplace, a spacious eat-in kitchen, a beautiful south facing garden, and a 2 car garage – this home has all the amenities for comfortable living.

The living space is divided into two floors. The main level has a living room with a gas burning fireplace, formal dining room, an expansive kitchen with new appliances,

one bedroom, an office nook, and a lovely updated full bathroom. Softwood floors add charm to the main level of the home.

The upper level has two bedrooms and a full updated bathroom. The back bedroom is very private and has beautiful views of the surrounding hills. The front bedroom is very spacious, is flooded with light and has views of the San Francisco Bay. The upstairs remodeled bathroom has a stall shower, bathtub, and laundry facilities.

This charming house is located just a few blocks away from the shops and restaurants of 24th Street in the heart of Noe Valley.

Offered at \$1,595,000

HISTORIC NOTE:

The house has over a hundred years of history. It was originally built after the 1906 quake. Since there was a shortage of places to reside after the great quake, the house is believed to have been built to ospitalize on the desperation rental market. The house was srected at the end of Elizabeth Alley blocking the access from 22nd Street.



Features:

- Three Bedrooms, 2 Full Bathrooms
- Spacious Eat-In Kitchen
- Charming South Facing Garden
- Lovely Views of Noe Valley and Downtown
- Gas Fire Place in Living Room
- 1 Bedroom/1 Bath in-law Apartment with Separate Entrance
- 2-Car Tandem Garage
- Plenty of Storage





Ruth Dawson
DRE #01365060
415.672.0532
rdawson@paragon-re.com
www.Paragon-Re.com



Bob Wheeler
DRE #01370636
415.980.4530
Bob@BobWheelerHomes.com
www.BobWheelerHomes.com



The information contained herein has been obtained from sources we deem reliable but is not guaranteed. Prospective purchasers are advised to independently verify accuracy and to review any disclosure information on file with this office.

3647 22ND STREET

Bob Wheeler:
415.990.4530
Bob@BobWheeler-Homes.com

Ruth Dawson:
415.672.0532
rdawson@paragon-re.com



Lower Level



Main Level



Upper Level

EXHIBIT C



DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP

(As required by the Civil Code)

SAN FRANCISCO ASSOCIATION OF REALTORS® STANDARD FORM

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

SELLER'S AGENT

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

To the Seller:

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

To the Buyer and the Seller:

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

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

BUYER'S AGENT

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

To the Buyer:

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

To the Buyer and the Seller:

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

AGENT REPRESENTING BOTH SELLER AND BUYER

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

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

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

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

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

Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction.

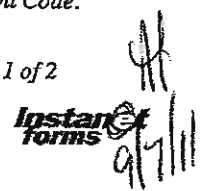
This disclosure form includes the provisions of Sections 2079.13 to 2079.24, inclusive, of the Civil Code set forth on the reverse hereof. Read it carefully.

Paragon Real Estate Group
 Agent (Brokerage Firm) Buyer / Seller (Signature) Yosef Peretz (date) 9/5/11
 Associate Licensee (Signature) Bob Wheeler (date) 9/5/2011 Buyer / Seller (Signature) Mardah Chami (date) 9/5/11

To comply with §2079.14 (b), Buyer's agents may present this signed form to the Seller for signature, prior to presenting an offer.

Seller (Signature) Yosef Peretz (date) Seller (Signature) Mardah Chami (date)

Note: Text in italics on this form, including the reverse side, is additional to the statutory requirement of Section 2079 of the Civil Code.



CALIFORNIA CIVIL CODE SECTIONS 2079.13 TO 2079.24 INCLUSIVE - AGENCY LAW

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

2079.14. Listing agents and selling agents shall provide the seller and buyer in a real property transaction with a copy of the disclosure form specified in Section 2079.16, and, except as provided in subdivision (c), shall obtain a signed acknowledgment of receipt from that seller or buyer, except as provided in this section or Section 2079.15, as follows: (a) The listing agent, if any, shall provide the disclosure form to the seller prior to entering into the listing agreement. (b) The selling agent shall provide the disclosure form to the seller as soon as practicable prior to presenting the seller with an offer to purchase, unless the selling agent previously provided the seller with a copy of the disclosure form pursuant to subdivision (a). (c) Where the selling agent does not deal on a face-to-face basis with the seller, the disclosure form prepared by the selling agent may be furnished to the seller (and 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.

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

2079.16. (Appears on Page 1 of this form.)

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

<u>(PROVIDE ON CONFIRMATION)</u> (Name of Listing Agent)	<u>(PROVIDE ON CONFIRMATION)</u> (Name of Selling Agent if not the same as Listing Agent)
is the agent of (check one):	is the agent of (check one):
<input type="checkbox"/> the Seller exclusively; or	<input type="checkbox"/> the Buyer exclusively; or
<input type="checkbox"/> both the Buyer and Seller.	<input type="checkbox"/> the Seller exclusively; or
	<input type="checkbox"/> both the Buyer and Seller.

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

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

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

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

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

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

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

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



REAL ESTATE TRANSFER DISCLOSURE STATEMENT

(California Civil Code § 1102, et seq.)

SAN FRANCISCO ASSOCIATION OF REALTORS® STANDARD FORM

THIS DISCLOSURE STATEMENT CONCERNS THE REAL PROPERTY SITUATED IN THE CITY OF San Francisco, COUNTY OF San Francisco, STATE OF CALIFORNIA, DESCRIBED AS 3647 22nd St. THIS STATEMENT IS A DISCLOSURE OF THE CONDITION OF THE ABOVE DESCRIBED PROPERTY IN COMPLIANCE WITH SECTION 1102 OF THE CIVIL CODE AS OF _____. IT IS NOT A WARRANTY OF ANY KIND BY THE SELLER(S) OR ANY AGENT(S) REPRESENTING ANY PRINCIPAL(S) IN THIS TRANSACTION, AND IS NOT A SUBSTITUTE FOR ANY INSPECTIONS OR WARRANTIES THE PRINCIPAL(S) MAY WISH TO OBTAIN.

I. COORDINATION WITH OTHER DISCLOSURE FORMS

This Real Estate Transfer Disclosure Statement is made pursuant to Section 1102 of the Civil Code. Other statutes require disclosures, depending upon the details of the particular real estate transaction (for example: special study zone and purchase-money liens on residential property).

Substituted Disclosures: The following disclosures and other disclosures required by law, including the Natural Hazard Disclosure Report/Statement that may include airport annoyances, earthquake, fire, flood, or special assessment information, have or will be made in connection with this real estate transfer, and are intended to satisfy the disclosure obligations on this form, where the subject matter is the same:

- Inspection report completed pursuant to the contract of sale or receipt for deposit.
- Additional inspection reports or disclosures:

II. SELLER'S INFORMATION

The Seller discloses the following information with the knowledge that even though this is not a warranty, prospective Buyers may rely on this information in deciding whether and on what terms to purchase the subject property. Seller hereby authorizes any agent(s) representing any principal(s) in this transaction to provide a copy of this statement to any person or entity in connection with any actual or anticipated sale of the property.

THE FOLLOWING ARE REPRESENTATIONS MADE BY THE SELLER(S) AND ARE NOT THE REPRESENTATIONS OF THE AGENT(S), IF ANY. THIS INFORMATION IS A DISCLOSURE AND IS NOT INTENDED TO BE PART OF ANY CONTRACT BETWEEN THE BUYER AND SELLER:

Seller is is not occupying the property.

A. The subject property has the items checked below (read across):*

- | | | |
|--|---|---|
| <input checked="" type="checkbox"/> Range | <input checked="" type="checkbox"/> Oven | <input checked="" type="checkbox"/> Microwave |
| <input checked="" type="checkbox"/> Dishwasher | <input type="checkbox"/> Trash Compactor | <input checked="" type="checkbox"/> Garbage Disposal |
| <input checked="" type="checkbox"/> Washer/Dryer Hookups | <input checked="" type="checkbox"/> Carbon Monoxide Device(s) | <input checked="" type="checkbox"/> Rain Gutters |
| <input checked="" type="checkbox"/> Burglar Alarms | <input type="checkbox"/> Satellite Dish | <input checked="" type="checkbox"/> Fire Alarm |
| <input type="checkbox"/> TV Antenna | <input type="checkbox"/> Central Air Conditioning | <input type="checkbox"/> Intercom |
| <input checked="" type="checkbox"/> Central Heating | <input checked="" type="checkbox"/> Sprinklers | <input type="checkbox"/> Evaporator Cooler(s) |
| <input type="checkbox"/> Wall/Window Air Conditioning | <input checked="" type="checkbox"/> Sump Pump | <input checked="" type="checkbox"/> Public Sewer System |
| <input type="checkbox"/> Septic Tank | <input type="checkbox"/> Built-in Barbecue | <input type="checkbox"/> Water Softener |
| <input type="checkbox"/> Patio/Decking | <input type="checkbox"/> Pool | <input type="checkbox"/> Gazebo |
| <input type="checkbox"/> Sauna | <input type="checkbox"/> Child Restraint Barrier | <input type="checkbox"/> Spa |
| <input type="checkbox"/> Hot Tub | <input checked="" type="checkbox"/> Automatic Garage Door Opener(s) | <input type="checkbox"/> Locking Safety Cover |
| <input type="checkbox"/> Locking Safety Cover | <input type="checkbox"/> Not Attached | <input type="checkbox"/> Number Remote Controls |
| <input type="checkbox"/> Security Gate(s) | <input type="checkbox"/> Solar | <input type="checkbox"/> Carport |
| Garage: <input checked="" type="checkbox"/> Attached | <input type="checkbox"/> Well | <input type="checkbox"/> Electric |
| Pool/Spa Heater: <input type="checkbox"/> Gas | <input type="checkbox"/> Bottled | <input type="checkbox"/> Private Utility or Other |
| Water Heater: <input checked="" type="checkbox"/> Gas | <input type="checkbox"/> Window Security Bars | |
| Water Supply: <input checked="" type="checkbox"/> City | <input type="checkbox"/> Quick Release Mechanism on Bedroom Windows | |
| Gas Supply: <input checked="" type="checkbox"/> Utility | | |
| <input checked="" type="checkbox"/> Window Screens | 220 Volt Wiring in _____ | Fireplace(s) in <u>living room</u> |
| Exhaust Fan(s) in <u>kitchen & baths</u> | <input checked="" type="checkbox"/> Roof(s): Type: <u>shingle</u> | Age: <u>10/10/11</u> (approx.) |
| <input checked="" type="checkbox"/> Gas Starter _____ | | |
| Other: _____ | | |

Are there, to the best of your (Seller's) knowledge, any of the above that are not in operating condition? Yes: No. If yes, then describe. (Attach additional sheets if necessary): _____

(See footnote on page 2)

Seller's Initials JK Buyer's Initials MC



Property Address: 3647 22nd St

San Francisco CA 94114 Date:

B. Are you (Seller) aware of any significant defects/malfunctions in any of the following? Yes No. If yes, check appropriate space(s) below:

- Interior Walls Ceilings Floors Exterior Walls Insulation Roof(s) Windows Doors Foundation Slab(s) Driveways Sidewalks Walls/Fences Electrical Systems Plumbing/Sewers/Septics Other Structural Components

Describe: _____

If any of the above is checked, explain. (Attach additional sheets if necessary):

*Installation of a listed appliance, device, or amenity is not a precondition of sale or transfer of the dwelling. The carbon monoxide device, garage door opener, or child-resistant pool barrier may not be in compliance with the safety standards relating to, respectively, carbon monoxide device standards of Chapter 8 (commencing with Section 13260) of Part 2 of Division 12 of, automatic reversing device standards of Chapter 12.5 (commencing with Section 19890) of Part 3 of Division 13 of, or the pool safety standards of Article 2.5 (commencing with Section 115920) of Chapter 5 of Part 10 of Division 104 of, the Health and Safety Code. Window security bars may not have quick-release mechanisms in compliance with the 1995 edition of the California Building Standards Code.

C. Are you (Seller) aware of any of the following?

1. Substances, materials, or products which may be an environmental hazard such as, but not limited to, asbestos, formaldehyde, radon gas, lead-based paint, mold, fuel or chemical storage tanks, and contaminated soil or water on the subject property Yes No
2. Features of the property shared in common with adjoining landowners, such as walls, fences, and driveways, whose use or responsibility for maintenance may have an effect on the subject property..... Yes No
3. Any encroachments, easements or similar matters that may affect your interest in the subject property..... Yes No
4. Room additions, structural modifications, or other alterations or repairs made without necessary permits Yes No
5. Room additions, structural modifications, or other alterations or repairs not in compliance with building codes Yes No
6. Fill (compacted or otherwise) on the property or any portion thereof..... Yes No
7. Any settling from any cause, or slippage, sliding, or other soil problems Yes No
8. Flooding, drainage or grading problems..... Yes No
9. Major damage to the property or any of the structures from fire, earthquake, floods, or landslides..... Yes No
10. Any zoning violations, nonconforming uses, violations of "setback" requirements..... Yes No
11. Neighborhood noise problems or other nuisances Yes No
12. CC&Rs or other deed restrictions or obligations..... Yes No
13. Homeowners' Association which has any authority over the subject property..... Yes No
14. Any "common area" (facilities such as pools, tennis courts, walkways, or other areas co-owned in undivided interest with others)..... Yes No
15. Any notices of abatement or citations against the property..... Yes No
16. Any lawsuits by or against the Seller threatening to or affecting this real property, including any lawsuits alleging a defect or deficiency in this real property or "common areas" (facilities such as pools, tennis courts, walkways, or other areas co-owned in undivided interest with others)..... Yes No

If the answer to any of these is yes, explain. (Attach additional sheets if necessary):

#2 floor shared w/ neighbors
#4-5 is low unit. space was modified and foundation rebuilt w/ permit. kitchen + bgrk w/p.

- D. 1. The Seller certifies that the property, as of the close of escrow, will be in compliance with Section 13113.8 of the Health and Safety Code by having operable smoke detectors(s) which are approved, listed, and installed in accordance with the State Fire Marshal's regulations and applicable local standards.
2. The Seller certifies that the property, as of the close of escrow, will be in compliance with Section 19211 of the Health and Safety Code by having the water heater tank(s) braced, anchored, or strapped in place in accordance with applicable law.

Seller certifies that the information herein is true and correct to the best of the Seller's knowledge as of the date signed by the Seller.

Seller _____ Date 9/5/11 Seller _____ Date 9/5/11

Seller's Initials Buyer's Initials

_____ / _____



III. AGENT'S INSPECTION DISCLOSURE

(To be completed only if the Seller is represented by an agent in this transaction.)

THE UNDERSIGNED, BASED ON THE ABOVE INQUIRY OF THE SELLER(S) AS TO THE CONDITION OF THE PROPERTY AND BASED ON A REASONABLY COMPETENT AND DILIGENT VISUAL INSPECTION OF THE ACCESSIBLE AREAS OF THE PROPERTY IN CONJUNCTION WITH THAT INQUIRY, STATES THE FOLLOWING:

- Agent notes no items for disclosure.
Agent notes the following items:

See attached

Agent (Broker Representing Seller) Paragon Real Estate Group By [Signature] Date 9/5/2011
(Please Print) (Associate Licensee or Broker Signature) Bob Wheeler

IV. AGENT'S INSPECTION DISCLOSURE

(To be completed only if the agent who has obtained the offer is other than the agent above.)

THE UNDERSIGNED, BASED ON A REASONABLY COMPETENT AND DILIGENT VISUAL INSPECTION OF THE ACCESSIBLE AREAS OF THE PROPERTY, STATES THE FOLLOWING:

- Agent notes no items for disclosure.
Agent notes the following items:

Agent (Broker Obtaining the Offer) By Date
(Please Print) (Associate Licensee or Broker Signature)

V.

BUYER(S) AND SELLER(S) MAY WISH TO OBTAIN PROFESSIONAL ADVICE AND/OR INSPECTIONS OF THE PROPERTY AND TO PROVIDE FOR APPROPRIATE PROVISIONS IN A CONTRACT BETWEEN BUYER(S) AND SELLER(S) WITH RESPECT TO ANY ADVICE/INSPECTIONS/DEFECTS.

I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS STATEMENT.

Seller [Signature] Date 9/5/11 Buyer Date
Seller Yusef Khatz Date 9/5/11 Buyer
Maha Chami

Agent (Broker Representing Seller) Paragon Real Estate Group By [Signature] Date 9/5/2011
(Please Print) (Associate Licensee or Broker Signature) Bob Wheeler

Agent (Broker Obtaining the Offer) By Date
(Please Print) (Associate Licensee or Broker Signature)

SECTION 1102.3 OF THE CIVIL CODE PROVIDES A BUYER WITH THE RIGHT TO RESCIND A PURCHASE CONTRACT FOR AT LEAST THREE DAYS AFTER THE DELIVERY OF THIS DISCLOSURE IF DELIVERY OCCURS AFTER THE SIGNING OF AN OFFER TO PURCHASE. IF YOU WISH TO RESCIND THE CONTRACT, YOU MUST ACT WITHIN THE PRESCRIBED PERIOD.

A REAL ESTATE BROKER IS QUALIFIED TO ADVISE ON REAL ESTATE. IF YOU DESIRE LEGAL ADVICE, CONSULT YOUR ATTORNEY.





**SELLER'S SUPPLEMENT TO THE
REAL ESTATE TRANSFER DISCLOSURE STATEMENT**
(Includes additional questions for Condominiums/Cooperatives/Other Associations and Income Property)
SAN FRANCISCO ASSOCIATION OF REALTORS® STANDARD FORM
This form is intended for use primarily in San Francisco and the northern peninsula.

Property Address: 3647 22nd St San Francisco CA 94114
 Seller's Name(s): Yosef Peretz Mardah Chami

Under California law (Civil Code §1102, et seq.) most sellers of real property containing one to four residential units are required to furnish prospective buyers with a completed Real Estate Transfer Disclosure Statement ("TDS"). This Supplement is intended to expand the disclosures made by sellers in the TDS to include matters not covered by that document but of general concern to buyers. Sellers should regard this Supplement as an opportunity to tell buyers about items which might affect the value or desirability of the Property. Think about what you would like to know if you were buying the Property today. Consider that items you do not think are material or significant may be viewed differently by a buyer. Buyers should be aware that Sellers can only disclose what they actually know; however Buyers should request clarification of the answers below, particularly those answered "Don't Know". The TDS and this Supplement are not substitutes for professional inspections to determine the condition of the Property being offered for sale. It is strongly recommended that buyers arrange to have any property they are considering purchasing inspected by professional inspectors and that they provide the inspectors with a copy of the TDS and this or any other Supplement to refer to while conducting their inspections. Buyers are advised to accompany the inspectors on their inspections.

- | A. Specific Information Regarding the Property and the Neighborhood | Yes | No | Don't Know |
|--|--------------------------|-------------------------------------|--------------------------|
| 1. Is the sale of the Property subject to court confirmation (e.g., a probate sale)?..... | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2. Are you involved in bankruptcy proceedings? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 3. Are there any loans secured by the Property which have not yet been recorded? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4. Are there any loans secured by the Property for which a notice of default has been recorded? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 5. Are there any liens, other than for property taxes or loans, recorded against the Property?..... | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 6. Is the Property or any part of it currently leased? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 7. Does anyone have a first right of refusal or an option to buy or lease the Property? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 8. Is the Property an unreinforced masonry building or on San Francisco's UMB list? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 9. Have there been any of the following in the neighborhood: | | | |
| (a) Flooding, drainage or grading problems? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (b) Settling, slippage, sink holes, landslides or other soil problems? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (c) Unusual odor problems? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (d) Contaminated soil or ground water?..... | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 10. Is the Property zoned for, or affected by, any of the following: | | | |
| (a) Manufacturing, commercial, industrial, or airport uses? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (b) Pending real estate developments (e.g., planned unit developments, subdivisions, or property intended for commercial, industrial, sports, educational or religious use)?..... | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (c) Sewage treatment plants, gravel pits, refuse processing, dump or disposal sites? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 11. Are there any current or potential disputes or claims which affect or are likely to affect the Property (e.g., boundary disputes, or rights being asserted by others which could affect the Property)? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 12. Are there any current or potential unrecorded easements or liens? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 13. Are there any existing or anticipated plans or proposals to close, construct or otherwise alter public utilities, roadways, or public or private facilities, etc.? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 14. Are there any planned or anticipated changes in neighboring properties that could impact the Property?..... | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 15. Has there been any criminal activity on the Property? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 16. Has there been any criminal activity in the neighborhood? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 17. Has the Property been the subject of an insurance claim, or inquiry, in the past 5 years for such things as fire, water intrusion, mold damage, or any other reason? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

If the answer to any of the above questions is yes, please explain in detail.
(Attach additional sheets, if necessary.)

Y P
Seller's Initials Buyer's Initials



B. Conditions Affecting the Property or its Improvements

- | | Yes | No | Don't Know |
|---|-------------------------------------|-------------------------------------|--------------------------|
| 1. Have you made any additions or alterations or repairs to the Property during your ownership?
If yes, please identify the work below and provide approximate dates. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Have you, or any professionals on your behalf, filed any permit applications for work to the Property?
If yes, please answer a and b below. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (a) In each case, were the permit(s) issued? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (b) In each case of permitted work, did an inspector approve the work in writing after completion? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Is there any nontempered glass on shower or sliding doors? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4. Are there any concealed hardwood floors? If yes, please describe the location(s) and condition. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Are there gutters or downspouts with holes, excessive rust or leakage? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 6. Are there any past, present or seasonal leaks or water intrusion from or through the skylights, windows, roof, siding, basement, foundation, or otherwise? (Please itemize even if leaks have stopped) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 7. Are there any sump pumps, underground drains, French drains (i.e., perforated piping), dry wells or surface water disposal systems in the crawl space/subarea or elsewhere?..... | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Are there any water supply problems (e.g., odor, discoloration, sediment, or lack of pressure)?..... | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 9. Is there a low-pressure water-heating or steam-generating boiler in operation? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 10. Were any animals kept on the Property in the past year? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 11. Are there any stains, damage or odor caused by animals? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 12. Are there any current or recent neighborhood animal problems? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 13. Were there any deaths on the Property in the last three years? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 14. Is there any damage relating to trees or plants on the Property (e.g. disease, weakened root structure)? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 15. Are there any problems with retaining walls (such as leaning, bulging or cracking)? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 16. Are there any problems with existing underground sprinkler systems? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 17. Are there any problems with automatic garage door(s) or automatic reversing device(s)? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

If the answer to any of the above questions is yes, please explain.

(Attach additional sheets, if necessary.)

#1 - update bathroom, kitchen (partial), upstairs bedrooms, new foundation, upgraded electrical service
 #2 - foundation & new heating system, upgrade electrical service & plumbing
 #3 - French drain around ground floor, 2 subdrains for air law unit

C. Reports, Inspections or Repair Estimates

It is strongly recommended that the seller provide the buyer with copies of all reports and repair estimates.

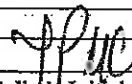
1. Are you aware of any inspections conducted, or reports or repair estimates prepared for you, the Association (if any), any previous owner, or any prospective buyer regarding any of the following subjects? (Check applicable boxes.)

- | | | | |
|--|--|---|---|
| <input checked="" type="checkbox"/> Pest Control | <input type="checkbox"/> Property Inspection | <input type="checkbox"/> Structural/Engineering | <input type="checkbox"/> Roof |
| <input type="checkbox"/> Pool/Spa | <input type="checkbox"/> Boiler Inspection | <input type="checkbox"/> Septic Tank | <input type="checkbox"/> Plumbing |
| <input type="checkbox"/> Heating | <input type="checkbox"/> Air Conditioning | <input type="checkbox"/> Soils/Drainage | <input type="checkbox"/> Survey |
| <input type="checkbox"/> Energy Efficiency | <input type="checkbox"/> Natural Hazards | <input type="checkbox"/> Environmental Hazards | <input type="checkbox"/> Underground Storage Tank |

Please describe below all checked subjects and indicate whether copies of the reports are available.

(Attach additional pages, if necessary.)

Type of Report	Inspector/Preparer	Date	Available
			Yes No
_____	_____	_____	<input checked="" type="checkbox"/> <input type="checkbox"/>
_____	_____	_____	<input type="checkbox"/> <input type="checkbox"/>
_____	_____	_____	<input type="checkbox"/> <input type="checkbox"/>
_____	_____	_____	<input type="checkbox"/> <input type="checkbox"/>


 Seller's Initials Buyer's Initials



2. Are you aware of any inspections, reports or plans that pertain to any neighborhood property or condition which may affect the value or desirability of the subject Property? If yes, please explain:

Yes No

3. Are you aware of any architectural plans or drawings relating to the Property? If yes, please identify:

slab unit expansion & remodel plan

D. Condominiums / Cooperatives / Common Ownership or Neighborhood Associations

If this Property is part of a condominium, cooperative, co-ownership or neighborhood association, please answer the following questions:

1. Type: Condominium Cooperative Tenancy-in-Common (TIC) Other (please specify) _____

2. Name of Association: _____

3. Who manages the Association (e.g., owners, management company)? _____

Name and phone number of management contact: _____

FOR CONDOMINIUMS

4. Are there covenants, conditions and restrictions (CC&Rs)? Yes No Don't Know

5. Are there bylaws? Yes No Don't Know

6. Are there articles of incorporation? Yes No Don't Know

7. Is sale of the unit and/or maximum price allowed controlled by low/moderate Buyer income limits? Yes No Don't Know

8. Is a license required (e.g., business license for live/work unit)? Yes No Don't Know

FOR COOPERATIVES

9. Are there bylaws? Yes No Don't Know

10. Is there a stock cooperative proprietary lease? Yes No Don't Know

FOR TENANCIES-IN-COMMON

11. How many separate ownership interests have been, or are being, created? _____

12. How many of those ownership interests are currently on the market? _____

13. What percentage ownership interest is being offered with this sale? _____

14. Is there an existing TIC agreement? Yes No Don't Know

If yes, please supply the date first signed by individual owners _____

15. If no TIC agreement currently exists, is one in the course of being prepared? Yes No Don't Know

If yes, who is preparing the agreement? _____

16. For a TIC with five or more dwelling units, has a Public Report been issued? Yes No Don't Know

If yes, please supply the date the report was issued _____

17. Is there an existing loan on the property, to which a qualified Buyer may be added or substituted? Yes No Don't Know

If yes, please supply the amount and terms of the loan for this ownership interest below.

18. Are there any fractional interest loans secured by the property? Yes No Don't Know

If yes, please supply the names of lenders who have approved the TIC agreement.

FOR ALL

19. Does the sale require approval by any governing board or group? Yes No Don't Know

20. Are there house rules in addition to the CC&Rs, cooperative bylaws or TIC agreement? Yes No Don't Know

21. Is a budget available for this fiscal year? Yes No Don't Know

22. Is a financial statement available for the last fiscal year? Yes No Don't Know

23. Are minutes available for meetings held in the past year? Yes No Don't Know

24. Are there any insurance policies on the building? Yes No Don't Know

(a) Name of the carrier(s): _____

(b) Name and phone number of the agent of broker: _____

(c) Is earthquake coverage included? Yes No Don't Know

25. Are regular assessments or dues levied against the Property? Yes No Don't Know

If yes, please give amounts and frequency: _____

26. Are there any approved or anticipated increases in regular assessments or dues? Yes No Don't Know

27. Are there any approved or anticipated special assessments? Yes No Don't Know

28. Are you in violation, or are you aware of others in violation, of the legal documents or house rules? Yes No Don't Know

29. Are there any pet limitation for the Property? Yes No Don't Know

30. Are there any other restrictions, limitations or rules affecting the use of this Property? Yes No Don't Know

31. Are there any disputes, claims or litigation in any way affecting the Property? Yes No Don't Know

32. Are there any parking spaces designated for the unit? If yes, please give locations below. Yes No Don't Know

33. Are there any limitations on the parking (e.g., tandem, rotational, low clearance, small car only)? Yes No Don't Know

34. Are there any storage spaces designated for the unit? If yes, please give locations below. Yes No Don't Know

SMC
Seller's Initials

Buyer's Initials



If the answer to any of the preceding questions requires further explanation, please provide details.
 (Attach additional sheets, if necessary.)

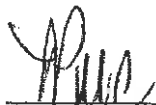
E. Property Eviction History

- | | Yes | No | Don't Know |
|--|--------------------------|-------------------------------------|--------------------------|
| 1. Has the Property been the subject of an Ellis Act proceeding at any time in the past? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2. Has any unit been the subject of an owner or relative move-in eviction since December 18, 1998? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 3. Has any unit been the subject of an owner or relative move-in eviction, or an eviction for demolition or capital improvements or rehabilitation work since May 1, 2005? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

If the answer to any of the above preceding questions is yes, please provide details, including specific dates and whether or not an evicted tenant was protected or disabled under local law.
 (Attach additional sheets, if necessary.)

F. Multi-Unit or Tenant-Occupied Properties

- | | Yes | No | <input type="checkbox"/> |
|---|--------------------------|--------------------------|--------------------------|
| 1. Is there any insurance policy on the Property which may be transferable? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (a) Name of the carrier(s): | | | |
| (b) Name and phone number of the agent or broker: | | | |
| 2. Is this Property currently exempt from San Francisco rent control for any reason? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Are there any current code violations for which citations have been issued? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Are there any non-conforming or conditional uses of the Property? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Are there any units which will be delivered vacant at close of escrow? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Are there any tenants in the Property not covered by a written lease or rental agreement? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Are there any occupants residing in the building not named in an original lease? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| If yes, have they been served with a Section 6.14 notice? | | | |
| 8. Are you aware of any unapproved subtenants or any occupant whose identity you do not know? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. Are there any passthrough amounts included in tenants rents as a result of capital improvements? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. Are there any active or past disputes, anticipated claims or litigation matters by owner or any tenants? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 11. Have any agreements been made with tenants to waive any provision of their tenancy? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 12. Are there any tenants who are protected from eviction under local law? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 13. Are you aware of any attempts to buyout any existing tenants? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 14. Are you aware of any agreements with any current or former tenants to voluntarily vacate a unit? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 15. Have any petitions been filed by a tenant regarding their tenancy in the Property? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 16. Have any communications been received from a tenant about the condition of their unit? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 17. Has any tenant requested an accommodation pursuant to the Americans with Disabilities Act? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 18. Are you aware of any unlawful rent increases given to any tenant? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 19. Has all interest on security deposits been paid to existing tenants through December 31 of last year? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 20. For tenants with written leases are you aware of any modifications to leases which are not in writing (e.g. regarding parking, storage spaces, roommates or pets) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 21. For each current tenant who does not have a written lease, please state below all terms of their tenancy. | | | |


 Seller's Initials Buyer's Initials



RESIDENTIAL SELLER LISTING DISCLOSURE ADVISORY

SAN FRANCISCO ASSOCIATION OF REALTORS® STANDARD FORM

PROPERTY ADDRESS: 3547 22nd St San Francisco CA 94114

This advisory provides Seller with general information to review and consider in making all disclosures to Buyer or a prospective buyer in connection with the marketing and sale of the Property.

1. SELLER'S DISCLOSURE OBLIGATIONS.

- A. **GENERAL OBLIGATIONS TO DISCLOSE DEFECTS.** Seller is legally obligated to make a "good faith" disclosure to Buyer of all known "material" facts. "Material" facts are defined as anything that could or does affect the value, desirability, condition, use and/or development of the Property. Failure to fully disclose all known "material" facts may result in a claim by Buyer for fraud or other legal theories and expose Seller to actual and punitive damages or rescission. Seller is thus generally well-advised: "If in doubt, disclose."
- B. **EXPRESS OBLIGATIONS UNDER LISTING AGREEMENT.** Under the SFAR form *Exclusive Right to Sell Listing Agreement* ("Listing Agreement"), Seller agrees to: (1) Provide accurate and complete information and documentation regarding the history and condition of the Property; and (2) Fully and accurately disclose to Buyer all known material defects as required by law and as specifically required in the Transfer Disclosure Statement. Seller is urged to provide these disclosures as soon as reasonably possible after signing the Listing Agreement.
- C. **THE TRANSFER DISCLOSURE STATEMENT.** Unless exempt as a matter of law, Sellers are obligated to honestly answer each and every question set forth in California's mandatory *Real Estate Transfer Disclosure Statement* ("RETDS"). The fact that Seller has never lived in the Property or is selling the Property in its present "As Is" condition does not exempt Seller from the obligation to make a full and accurate disclosure to Buyer or a prospective buyer based upon what Seller actually knows. The RETDS is intended as a disclosure of Property conditions and defects. The RETDS does not create an obligation on either party (Buyer or Seller) to accept or correct the conditions or defects disclosed, nor does it establish a warranty or covenant. The RETDS is instead a disclosure—a statement of Seller's knowledge of those material facts which affect the value or desirability of the Property.
- D. **DISCLOSE ALL KNOWN MATERIAL DEFECTS IN WRITING.** A companion to the RETDS, the SFAR *Supplemental Real Estate Transfer Disclosure Statement* ("SRETDS") was developed to assist Seller in complying with their disclosure obligations. Use of the SRETDS form is mandated by the local SFAR purchase contract when the RETDS is legally required and is thus standard in most San Francisco residential transactions. While the RETDS and SRETDS are relatively complete documents, in the event a material defect relating to the Property is not addressed by these disclosure forms, Seller is nonetheless obligated to promptly disclose that defect to Buyer in a separate document (e.g., memo or letter) at the time Seller provides these disclosure forms. It is also recommended that Seller provide Buyer with all documents or e-mails that reflect information that could or does affect the value, desirability, condition, use and/or development of the Property. This would include, but not be limited to, any and all disclosures, inspection reports, copies of bills for repair or replacement work (e.g., repair for leaky window or installation of new roof) and photographs of the Property depicting defects (e.g., water in basement or garage) that Seller received either at the time Seller bought the Property or at any time during Seller's ownership of the Property. Seller must disclose not only current conditions (defects), but also known past defects even if they have been corrected (e.g., repaired roofs or settled lawsuits).
- E. **ADDITIONAL STATUTORY DISCLOSURES.** In addition to the requirement that Seller disclose all known defects, Federal, State, and local laws impose additional statutory disclosure requirements upon Seller, some of which are required even if Seller is legally exempt from completing the RETDS. Some laws require Seller to disclose items which are not readily known, such as the Alquist-Priolo Earthquake Fault (a.k.a. "Special Studies Zone") Act, which imposes upon Seller a duty to disclose whether the Property is located within a state delineated earthquake fault zone or within a seismic or other geo-technical hazard zone. Seller is obligated to disclose whether Property is located in a Federally-designated flood hazard area or local flood hazard. Sellers must disclose whether Property is located within a State fire responsibility area, or within a defined "wild-land" area. Seller is required to disclose information pertaining to local property taxes, including whether the Property is subject to a Mello-Roos Facility District tax, and if so, the amount and extent of the annual tax. Fortunately, sellers do not have to research these issues personally. Instead, Seller may retain qualified service providers to undertake the research, make the disclosures and assume the liability for any mistaken or incomplete disclosures. Broker can provide referrals to appropriate service providers upon request.
- F. **SAFETY COMPLIANCE DISCLOSURES.** Numerous State and Federal laws impose an obligation upon Seller to disclose information about safety issues. For instance, Seller is required to disclose whether the Property is in compliance with the smoke detector laws and whether the water heaters have been anchored, strapped and braced to prevent overturning in an earthquake. For properties constructed prior to 1978, Sellers must disclose known lead-based paint hazards, as well as disclose certain construction and design features (hazards) which promote weakness and instability in the event of an earthquake.
- G. **LOCAL REQUIREMENTS.** Local laws may impose additional disclosure requirements upon Seller, including without limitation "point of sale" obligations. For example, sellers in San Francisco must provide an energy efficiency inspection report as well as a water conservation inspection and compliance certificate prior to close of escrow.

Broker's Initials

Seller's Initials

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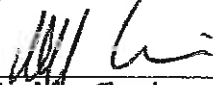
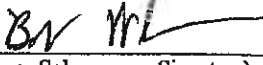
Page 1 of 2
(Rev. 02/11)

Instant forms

H. COMMON INTEREST DEVELOPMENTS. For the sale of a single unit in a common interest development (e.g., a condominium unit), in addition to disclosing all other known material facts and documents, Seller should disclose to Buyer or a prospective buyer anything obtained or received from the homeowner association ("HOA") that regards the Property (e.g., condo unit) and the common area. This would include without limitation all HOA governing documents, meeting minutes, inspection reports, planned and actual repair or remediation records, financial statements, past, present and proposed fees and assessments and past, present or proposed litigation notices, settlements, attorney correspondence and records. It is also recommended that Seller provide Buyer with any and all documentation known to Seller reflecting discussions between owners of condo units regarding anything that could or does affect the value, desirability, condition, use and/or development of the Property and common areas. This would include without limitation any and all emails and print outs of on-line "chat room" or dedicated website discussions.

2. **REAL ESTATE BROKER'S DISCLOSURE OBLIGATIONS.** Real estate brokers and sales persons are obligated to make certain disclosures related to real estate agency relationships and known "material" facts about the Property. Disclosures by real estate brokers and sales persons are not a substitute for a property inspection by a contractor, architect or other qualified real property inspector. Real estate brokers and sales persons are obligated to conduct a "reasonably competent and diligent visual inspection of the property" and disclose known facts affecting the value or desirability of the property that their visual investigation reveals, or that otherwise become actually known to them. They have *no duty* to inspect reasonably and normally inaccessible areas of the property (e.g., crawl spaces under the house, unimproved attics, roofs, garages or basements with stored items blocking visibility, etc.) or to conduct off-site inspections of public records (e.g., permits, lawsuits, common area defects relative to condos and coops, etc.). They are not obligated to explain the legal or practical effects of disclosures, such as their impact upon future rights or value.
3. **BUYER'S OBLIGATIONS.** Buyers are obligated by law to "exercise reasonable care" to protect their own interests when purchasing property. They should consider facts which become known to them from any source or which are within their "diligent attention and observation." (Civil Code §2079.5.) Buyer should take all reasonable steps to investigate the Property. Buyer should rely upon Buyer's own qualified professionals to evaluate the condition and quality of the Property, rather than solely relying upon the information and disclosures provided by Seller and any and all real estate brokers and sales persons involved in the transaction.
4. **EQUAL HOUSING OPPORTUNITY LAW.** Discriminatory conduct in connection with the purchase and sale of real property is illegal. Full compliance with all Federal, State and local anti-discrimination and equal housing opportunity laws is absolutely necessary.
5. **SECURITY AND SAFETY PRECAUTIONS.** The process of marketing, advertising and selling a home will necessarily draw attention to the property. This could result in increased risks to Seller and Seller's personal property. Seller is thus encouraged to maintain adequate insurance to cover possible theft, including identity theft, which may occur in connection with the marketing and sale of the Property. Seller is also encouraged to take reasonable precautions to protect Seller's individual safety as well as the safety of others residing in the Property, or those visiting as guests. Extra caution should be taken by Seller to secure firearms, jewelry, artwork, money, personal photos, identity papers and important computer data and to correct or adequately warn about any potential safety hazards at the Property.
6. **HOME WARRANTY PLAN.** Home-warranty or home-protection plans can be purchased to protect Seller's interests prior to the close of escrow and/or Buyer's interests after escrow closes. Such plans typically provide some limited protection if certain items in the Property fail or break after the close of escrow (e.g., furnace or hot water heater). There are various plans and options available and not all home-warranties provide the same protections. The plans should be reviewed carefully as they contain important exclusions from coverage and other limitations.
7. **SHORT SALE ADVISORY.** If the sale of the Property may result in a potential "short sale," Seller should read and review the SFAR form *Short Sale Advisory* and discuss potential options with a qualified attorney or accountant engaged by Seller before listing the Property for sale. Broker is not qualified to give legal or tax advice.
8. **EXPENSES ARE INCURRED BY SELLER.** Unless otherwise agreed in writing, Seller (not Broker) is obligated to pay any and all expenses associated with the listing, marketing, and sale of the Property, including without limitation, any expenses incurred to comply with local, State or Federal laws.
9. **BOOKLETS AND ADVISORIES.** Seller acknowledges receipt of the following booklets and advisories which Broker has provided and which Broker has strongly recommended Seller read and review the SFAR form (a) *General Information for Buyers and Sellers of Residential Real Property in the City and County of San Francisco* and (b) *General Information Regarding SF Energy and Water Ordinances*.
10. **LEGAL AND TAX ADVICE.** Broker is *not qualified* to give legal or tax advice. For legal and tax advice Seller is advised to engage a qualified attorney or accountant.

Seller hereby confirms reading the above and receiving a copy of this advisory.

Seller  Date 9/5/11 Seller  Date 9/5/11
 Yusef Perera Mardak Chami
 Real Estate Broker or Firm Paragon Real Estate Group By  Date 9/5/11
 (Please Print) (Broker or Salesperson Signature)
 Bob Wheeler

A REAL ESTATE BROKER OR AGENT CAN ADVISE ON REAL ESTATE TRANSACTIONS ONLY. FOR LEGAL OR TAX ADVICE, CONSULT A QUALIFIED ATTORNEY OR CPA.





**WATER HEATER STATEMENT OF COMPLIANCE
FOR USE IN THE CITY AND COUNTY OF SAN FRANCISCO**
SAN FRANCISCO ASSOCIATION OF REALTORS® STANDARD FORM



PROPERTY ADDRESS: 3647 22nd St San Francisco CA 94114

STATE LAW. The State of California requires that residential water heaters (new, existing, or replacement) be braced, strapped, or anchored to resist falling or horizontal displacement due to earthquake motion. (See California Health and Safety Code §§19210 and 19211.) "Water heater" as defined by the Code means any standard water heater with a capacity of not more than 120 gallons for which a pre-engineered strapping kit is readily available.

LOCAL REQUIREMENTS. San Francisco's local ordinance imposes more rigorous water heater compliance standards than those established by State law. For example, in San Francisco, water heaters which are moved or newly installed must be raised 18 inches off the ground. The Parties are encouraged to review the SFAR publication entitled, *General Information for Buyers and Sellers of Residential Real Property in the City and County of San Francisco*, and contact the San Francisco Department of Building Inspection at 415-558-6088 for additional information, including local requirements.

SELLER'S WRITTEN STATEMENT. California Health and Safety Code §19211 requires the seller of any real property containing a water heater to certify to the prospective purchaser his/her compliance with this provision. If the Property is a manufactured or mobile home, Seller must also file the requisite statement with the Department of Housing and Community Development.

COMPLIANCE AND CERTIFICATION. Seller certifies that at close of escrow all water heaters will be braced, strapped, or anchored as required by California Health and Safety Code §19211, and all applicable local laws.

Seller  Date 9/5/11 Seller  Date 9/5/11
 Yosef Peretz Marwan I. Chami
 Buyer's Acknowledgement and Receipt:
 Buyer _____ Date _____ Buyer _____ Date _____

A REAL ESTATE BROKER OR AGENT CAN ADVISE ON REAL ESTATE TRANSACTIONS ONLY. FOR LEGAL OR TAX ADVICE, CONSULT A QUALIFIED ATTORNEY OR CPA.





**SMOKE DETECTOR STATEMENT OF COMPLIANCE
FOR USE IN THE CITY AND COUNTY OF SAN FRANCISCO**
SAN FRANCISCO ASSOCIATION OF REALTORS® STANDARD FORM



PROPERTY ADDRESS: 3647 22nd St San Francisco CA 94114

STATE LAW. California law requires that every single-family dwelling and factory-built housing unit sold shall have an operable smoke detector. The detector shall be approved and listed by the State Fire Marshal and installed in accordance with the State Fire Marshal's regulations. (See California Health & Safety Code §13113.8.) If the Property is a manufactured or mobile home, State law requires an operable smoke detector in each sleeping room.

LOCAL REQUIREMENTS. San Francisco's local ordinance imposes more rigorous smoke detector compliance standards than those established by State law. It is thus important to consult the local city/county building and safety regulations to ensure compliance. The Parties are encouraged to review the SFAR publication entitled, *General Information for Buyers and Sellers of Residential Real Property in the City and County of San Francisco*, and contact the San Francisco Department of Building Inspection at 415-558-6088 for additional information, including local requirements.

SELLER/TRANSFEROR'S WRITTEN STATEMENT. California Health & Safety Code §13113.8(b) requires the transferor (Seller) of any real property containing a single-family dwelling, whether the transfer is made by sale, exchange, or real property sales contract (installment sales contract), to deliver a written statement to the transferee (Buyer) certifying that the transferor has complied with the smoke detector minimum safety requirements. If the Property is a manufactured or mobile home, Seller must also file the requisite statement with the Department of Housing & Community Development.

COMPLIANCE AND CERTIFICATION. Seller certifies that at close of escrow the Property will have an operable smoke detector which shall be approved and listed by the State Fire Marshal and installed in accordance with the State Fire Marshal's regulations as required by California Health & Safety Code §13113.8, and also certifies smoke detector safety compliance with all applicable local laws. For manufactured or mobile homes, Seller certifies the installation of detectors in each sleeping room as required by California Health & Safety Code §18029.6, by the Department of Housing & Community Development, and as required by applicable local law.

Seller  Date 9/5/11 Seller  Date 9/5/11
Yosef Peretz Mardah Chami
Buyer's Acknowledgement and Receipt:
Buyer _____ Date _____ Buyer _____ Date _____

A REAL ESTATE BROKER OR AGENT CAN ADVISE ON REAL ESTATE TRANSACTIONS ONLY. FOR LEGAL OR TAX ADVICE, CONSULT A QUALIFIED ATTORNEY OR CPA.





RESIDENTIAL EARTHQUAKE HAZARDS REPORT

SAN FRANCISCO ASSOCIATION OF REALTORS® STANDARD FORM

Questions 1 - 8 below were prepared by the California Seismic Safety Commission to satisfy the requirements of California Government Code Section 8897 *et seq.* In that regard, please refer to *The Homeowner's Guide to Earthquake Safety* published by the Commission. Questions 9 - 11 have been added to address issues either raised by the *Homeowner's Guide* or of particular relevance to many San Francisco properties. A seller of a building constructed prior to January 1, 1960 which contains 1 - 4 dwelling units, unless an exemption applies (for example, a court-ordered sale or a sale by a trustee) must deliver to the buyer a copy of the *Homeowner's Guide* and complete a disclosure similar to that below. Additional questions regarding Earthquake Fault Zones and Seismic Hazard Zones, also required by the Commission to be answered, and other information about the property, are found in the Real Estate Transfer Disclosure Statement and the Natural Hazards Disclosure, also required by law.

Property Address: 3647 22nd St San Francisco CA 94114	Block/lot or Parcel no.: 3627-045
Seller's Name: Yosef Peretz	Year Built: 1906

Please answer these questions to the best of your knowledge. If you do not have actual knowledge as to whether the weakness exists, answer "Don't Know". If your property does not have the feature, answer "Doesn't Apply". Please refer to *The Homeowner's Guide to Earthquake Safety* for more information.

		Doesn't	Don't
	Yes	No	Apply Know
1. Is the water heater braced, strapped, or anchored to resist falling during an earthquake?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Is the property anchored or bolted to the foundation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. If the property has cripple walls, are the cripple walls braced?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. If the foundation consists of unconnected concrete piers and posts, have they been strengthened?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. If the exterior foundation, or part of it, is made of unreinforced masonry, has it been strengthened? ...	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. If the exterior walls of the property, or part of them, are made of unreinforced masonry, have they been strengthened?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. If the property is built on a hillside, please answer the following:			
• Are the exterior tall foundation walls braced?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Were the tall posts or columns either built to resist earthquakes, or have they been strengthened? ..	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. If the property has a living area over the garage, were the walls around the garage door opening either built to resist earthquakes, or have they been strengthened?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Are the post to beam connections at the basement/garage level strengthened?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Are the basement/garage perimeter walls reinforced with plywood shearwall, or by other means?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. If the property has natural gas supplied to it, please answer the following:			
• Are the meters enclosed in an airtight cabinet that vents to the exterior?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Has an automatic gas shutoff valve been installed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• If the shutoff valve is manual, is it accessible and clearly identified?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• For a manual shutoff valve, is an appropriate wrench readily available?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If any questions are answered "No", the property is likely to have an earthquake weakness. Questions answered "Don't Know" may indicate a need for further evaluation. If you corrected one or more of the weaknesses, describe the work on a separate page.

As Seller of this property, I have answered the questions above to the best of my knowledge in an effort to disclose fully any potential earthquake weakness that may have.

Seller Yosef Peretz Seller Margah Chami Date 9/5/11

As Buyer, I acknowledge receipt of this form, completed and signed by Seller. I understand that if Seller has answered "No" to one or more questions, or if Seller has indicated a lack of knowledge, there may be one or more earthquake weaknesses in this property.

Buyer _____ Buyer _____ Date _____





Acknowledgement of Receipt of

GENERAL INFORMATION FOR BUYERS AND SELLERS OF RESIDENTIAL REAL PROPERTY IN THE CITY AND COUNTY OF SAN FRANCISCO

By signing in the space provided below, the buyer(s) or seller(s) acknowledge receipt of a copy of "General Information for Buyers and Sellers of Residential Real Property in the City and County of San Francisco," published by the San Francisco Association of REALTORS®, consisting of 53 pages and bearing a revision date of January 1, 2009. Buyers and sellers are urged to satisfy any questions or concerns they might have regarding matters covered in this document, as well as any other matters relevant to any real property sale and purchase transaction, at the earliest possible time and before removing any contingencies.

Property Address: 3647 22nd St San Francisco CA 94114


Buyer (Please Print): _____

Signature: _____ Date: _____

Buyer (Please Print): _____

Signature: _____ Date: _____

Seller (Please Print): Yosef Peretz

Signature:  _____ Date: 9/5/11

Seller (Please Print): Mardah Chami

Signature:  _____ Date: 9/5/11



San Francisco
Association of
REALTORS®

Acknowledgement of Receipt of

COMBINED HAZARD DISCLOSURE BOOKLETS

By signing in the space provided below, the buyer(s) or seller(s) acknowledge receipt of a copy of "Combined Hazard Disclosure Booklets," incorporating the three publications listed below. Buyers and sellers are urged to satisfy any questions or concerns they might have regarding matters discussed in the attached booklets, as well as any other matters relevant to any real property sale and purchase transaction, at the earliest possible time and before removing any contingencies.

- Residential Environmental Hazards: A Guide For Homeowners, Homebuyers, Landlords and Tenants, August 2005 edition
- Protect Your Family From Lead In Your Home, June 2003 Edition
- The Homeowner's Guide to Earthquake Safety, 2005 Edition

Property Address: 3647 22nd St San Francisco CA 94114

Buyer (Please Print): _____

Signature: _____ Date: _____

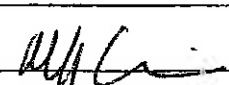
Buyer (Please Print): _____

Signature: _____ Date: _____

Seller (Please Print): _____ Yosef Peretz

Signature:  _____ Date: 9/5/11

Seller (Please Print): _____ Mardah Chami

Signature:  _____ Date: 9/5/11



NOTICE CONCERNING INFORMATION IN 3-R REPORT

SAN FRANCISCO ASSOCIATION OF REALTORS® STANDARD FORM

This form is intended for use primarily in San Francisco and the northern peninsula.

For the Property at: 3647 22nd St

San Francisco CA 94114

1. Reports of Residential Building Record ("3-R Report") are prepared by the San Francisco Department of Building Inspection (DBI) from its historical records and may not be accurate or complete for various reasons. For example, while most of the City's records are now computerized, many were originally handwritten and can be difficult to read or incomplete. Errors could have occurred when the information was transferred from the original documents and then been repeated in subsequent updates. Some permit records were simply misplaced or filed against the wrong property or lost in the fire that followed the April 1906 Earthquake. In any event, 3-R Reports do not include information on any plumbing or electrical permits. Nor do they include cancelled or withdrawn permit applications or permits taken out for work to a commercial portion of a mixed-use building. Any such permit history must be sought separately from DBI.
2. For the foregoing reasons, Buyers of residential real property in San Francisco should never rely on information contained in 3-R Reports. They should be aware that, among other things, properties may have rooms, additions or decks where there is no record of a permit ever having been issued for their construction. Such improvements may or may not have been constructed with a permit. If an improvement was constructed without a permit, or not in accordance with building codes, the City and County may require the owner to legalize it at a substantial cost or remove it. If there are two or more structures with residential units on the same lot, separate 3R Reports for each structure should be reviewed. Paragraph 1.A on 3R Reports identifies "Present authorized occupancy or use" of a property. An "Unknown" reference should be investigated and Buyers are referred to the DBI publication "Notice for Unknown Use" for further information.
3. It should be understood that brokers and agents are not legally obligated to confirm or verify the accuracy or completeness of information contained in public records such as 3-R Reports. (Cal. Civil Code §2079.3.) Accordingly, Buyers are advised that it is their responsibility to independently investigate the completeness and accuracy of 3-R Reports and make informed decisions based on their own investigations.
4. DBI codes regarding any permits include without limitation: C-the work was completed; I-permit has been issued; N-No record was found; X-the permit expired (work not started or not completed). Buyers should not rely upon these codes being accurate for the reasons stated above and should always independently verify all information in a 3-R report before removing any applicable contingencies.
5. Buyers seeking assistance in reviewing the permit history of a property should engage the services of a qualified contractor, architect or other construction professional to verify the information before removing any inspection conditions. Buyers may also contact the DBI Customer Service Division, which is responsible for maintaining historical records and producing 3-R Reports, for information regarding a permit history.

They may be reached at: **DBI, Customer Service Division**
1660 Mission Street, 1st Floor
San Francisco, CA 94103-2414
(415) 558-6081, fax (415) 558-6401

THE UNDERSIGNED ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE ABOVE.

Buyer _____ Date _____

Buyer _____ Date _____

NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY OF THE ABOVE. A REAL ESTATE BROKER IS QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. FOR LEGAL OR OTHER PROFESSIONAL ADVICE CONCERNING ANY OF THE ABOVE, SELLERS AND BUYERS ARE URGED TO CONSULT WITH A QUALIFIED ATTORNEY OR OTHER PROFESSIONAL.





**LEAD-BASED PAINT AND LEAD-BASED PAINT
HAZARDS DISCLOSURE
AND ADDENDUM—42 U.S.C. § 4852d
SAN FRANCISCO ASSOCIATION OF REALTORS® STANDARD FORM**

This Lead-Based Paint and Lead-Based Paint Hazard Disclosure and Addendum is made a part of the Contract for the Sale and Purchase of Real Property, or (if checked) _____ dated _____, for the property known as 3647 22nd St San Francisco CA 94114 between _____ (Buyer/Lessee) and Yosef Peretz (Seller/Lessor).

- 1. LEAD WARNING STATEMENT—SALE AND PURCHASE.** 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.
- 2. LEAD WARNING STATEMENT—RENTAL AND LEASE.** Housing built before 1978 may contain lead-based paint. Lead from paint, paint chips, and dust can pose health hazards if not managed properly. Lead exposure is especially harmful to young children and pregnant women. Before renting pre-1978 housing, lessors must disclose the presence of known lead-based paint and/or lead-based paint hazards in the dwelling. Lessees must also receive a federally approved pamphlet on lead poisoning prevention.
- 3. RENOVATION, REPAIR AND PAINTING—EPA RULE.** Common renovation activities like sanding, cutting, and demolition can create hazardous lead dust and chips by disturbing lead-based paint, which can be harmful to adults and children. To protect against this risk, the Environmental Protection Agency ("EPA") issued a rule requiring the use of "lead-safe practices" aimed at preventing lead poisoning. Under this rule, contractors engaged in renovation, repair and painting ("RRP") projects that disturb lead-based paint in homes built before 1978 must be certified and must follow specific work practices to prevent lead contamination by minimizing lead dust. The rule affects paid renovators who work in pre-1978 housing and child-occupied facilities, including: Renovation contractors, maintenance workers in multi-family housing and painters and other specialty trades. Under the rule, child-occupied facilities are defined as residential, public or commercial buildings where children under the age of six are present on a regular basis. The requirements apply to renovation, repair or painting activities. The rule generally does not apply to minor maintenance or repair activities where less than six (6) square feet of lead-based paint is disturbed in a room or where less than twenty (20) square feet of lead-based paint is disturbed on the exterior, but this does not include window replacement, demolition, or prohibited practices. The Parties are encouraged to review the additional information in this regard that can be found at: www.epa.gov/lead.
- 4. SELLER/LESSOR ACKNOWLEDGEMENT.**
SELLER/LESSOR IS *NOT* AWARE OF LEAD-BASED PAINT OR LEAD-BASED PAINT HAZARDS: I (we) am *not* aware of the presence of lead-based paint and/or lead-based paint hazards *except* for the following:

RECORDS AND REPORTS. Seller/Lessor has *no* reports pertaining to lead-based paint and/or lead-based paint hazards in the Property; or (if checked) Seller/Lessor has provided Buyer/Lessee with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards. Below is a list of those records/reports:

LEAD HAZARD PAMPHLETS. Seller/Lessor has provided Buyer/Lessee a copy of the pamphlet "Protect Your Family from Lead in Your Home" or the equivalent approved pamphlet "The Homeowner's Guide to Environmental Hazards and Earthquake Safety."

I have reviewed the information set forth above in Paragraph 4 (Seller/Lessor Acknowledgement) and hereby certify, to the best of my knowledge, that the information provided is true and correct.

Seller/Lessor Yosef Peretz Date 9/5/11 Seller/Lessor Maddah Chani Date 9/5/11

Buyer/Lessee's Initials _____



5. LISTING AGENT'S ACKNOWLEDGEMENT.

Agent has informed Seller/Lessor of Seller/Lessor's obligations under 42 U.S.C. § 4852d and is aware of Agent's responsibility to ensure compliance.

I have reviewed the information set forth above in Paragraph 4 (Seller/Lessor Acknowledgement) and hereby certify, to the best of my knowledge, that the information provided is true and correct.

Broker/Agent Representing Seller/Lessor Paragon Real Estate Group DRE License # 00832588
By (Agent for Seller/Lessor) Bob Wheeler Date: 9/5/11 DRE License # 01370836

6. BUYER/LESSEE ACKNOWLEDGEMENT.

I acknowledge that I (we) received the records and reports, if any, set forth in Paragraph 4 above and further acknowledge that I (we) received a copy of the pamphlet entitled "Protect Your Family from Lead in Your Home" or the equivalent "The Homeowner's Guide to Environmental Hazards and Earthquake Safety."

FOR SALE TRANSACTIONS ONLY. Buyer/Lessee is permitted a 10-day period (unless the Parties mutually agree upon a different period of time, or agree otherwise in the Purchase Contract) to conduct a risk assessment or inspection for the presence of lead-based paint hazards; or [] (if checked) Buyer/Lessee waives the right to a risk assessment or inspection for the presence of lead-based paint hazards. If delivery of any of the records, reports, or pamphlets referenced in Paragraph 4 above occurs after the acceptance of a purchase offer, Buyer/Lessee has a right to cancel the Purchase Contract.

I have reviewed the information set forth above and hereby certify, to the best of my knowledge, that the information provided is true and correct.

Buyer/Lessee Date Buyer/Lessee Date

7. COOPERATING AGENT'S ACKNOWLEDGEMENT.

Agent has informed Seller/Lessor (through Listing Agent if the Property is listed) of Seller/Lessor's obligations under 42 U.S.C. § 4852d and is aware of Agent's responsibility to ensure compliance.

I have reviewed the information set forth above and hereby certify, to the best of my knowledge, that the information provided is true and correct.

Broker/Agent Representing Buyer/Lessee DRE License #

By (Agent for Buyer/Lessee) Date: DRE License #

IMPORTANT NOTE: Applicable Federal Regulations require that the Seller keep a copy of the above-completed certification by Buyer, Seller and Brokers/Agents for at least three years after the sale is consummated. (24 CFR § 35.92(a)(4),(7) & (c)(1)).

Reviewed by Managing Broker Date

A REAL ESTATE BROKER OR AGENT CAN ADVISE ON REAL ESTATE TRANSACTIONS ONLY. FOR LEGAL OR TAX ADVICE, CONSULT A QUALIFIED ATTORNEY OR CPA.





INFORMATION FOR SELLERS CONCERNING MULTIPLE OFFERS

SAN FRANCISCO ASSOCIATION OF REALTORS® STANDARD FORM

This is a guide for sellers about Multiple Offers, which have become commonplace in active real estate markets. It is informational only.

Perhaps no situation facing buyers or sellers is more frustrating or fraught with the potential for misunderstanding and missed opportunity than presenting and negotiating competing offers to purchase the same property. Consider the following issues and dynamics: Sellers want to get the highest price and best terms for their property; Buyers want to buy at the lowest price and on the most favorable terms; Listing brokers – acting on behalf of sellers – represent sellers’ interests; Buyer brokers represent the interests of their buyer-clients.

- Will a seller authorizing the disclosure of information about one buyer’s offer make a second buyer more likely to make a higher offer? Or will that second buyer pursue a different property?
- Will informing several buyers that each is being given a chance to make their ‘best offer’ result in spirited competition for the seller’s property? Or will it result in the buyers turning their attentions elsewhere?
- What’s legal? What’s ethical? What’s fair? Why isn’t there a single, simple way to deal with competing offers?

Knowledgeable buyers and sellers realize there are rarely simple answers to complex situations. But some fundamental principles can make handling competing offers a little simpler. Real estate professionals are subject to state real estate regulation and, if they are REALTORS®, to the Code of Ethics of the National Association of REALTORS®. The Code of Ethics obligates REALTORS® to be honest with all parties; to present offers and counter offers quickly and objectively; and to cooperate with other brokers. Cooperation involves the sharing of relevant information. Frequently frustration and misunderstanding results from cooperating brokers being unaware of the status of offers they have presented on behalf of their buyer clients. Listing brokers should make reasonable efforts to keep all buyer-representatives up-to-date on the status of offers. Similarly, buyer representatives should keep listing brokers informed about the status of counter offers or revised offers that their clients have made.

Buyers and sellers need to appreciate that in multiple offer situations only one offer will result in a sale, and the other buyers will be disappointed that their offers were not accepted. While little can be done to assuage that disappointment, fair and honest treatment throughout the negotiation process, coupled with prompt, ongoing and open communication, can enhance the chances that all buyers – successful or not – will feel they were treated fairly and honestly.

Information and strategy for Sellers

It is possible you may have competing offers to purchase your property. Your listing broker can explain various negotiating strategies for you to consider. For example, you can simply accept the ‘best’ offer; you can ‘counter’ one offer while putting the other offers to the side awaiting a decision on that counter offer; you can ‘counter’ more than one offer simultaneously, using contract language that avoids the possibility of accidentally agreeing to sell the property to more than one buyer; or you can ask buyers to resubmit their offers based on criteria that you have now determined would be acceptable to you. Your listing broker can explain all of your options and alternatives.

Each of these approaches has advantages and disadvantages. Patience may result in an even better offer being received; inviting buyers to make their ‘best’ offers may produce an offer better than those on the table – or it may discourage buyers who feel they’ve already made strong offers, resulting in them breaking off negotiations with you to pursue other properties. Your listing broker will explain the pros and cons of these (and other) negotiating strategies. The decisions, however, will be yours to make. Your listing broker’s advice is, of course, based on past experience and is no guarantee about how particular buyers will act or react in your specific situation.

Seller Yusef Perera

Seller Mardah Chami

Date 9/5/11

DISCLOSURE REGARDING UNDERGROUND STORAGE TANKS IN SAN FRANCISCO

In July 1992, the San Francisco Board of Supervisors adopted amendments to Article 21 of the San Francisco Health Code to conform local hazardous materials regulations to Federal and State requirements. The amendments deal, in part, with a subject of increasing importance to residential property owners - underground storage tanks (USTs) and the hazardous materials which can leak from them.

According to the Public Health Department there are thousands of abandoned underground storage tanks in San Francisco's residential neighborhoods. The tanks were used in earlier years for the storage of home heating oil. These tanks remain potential sources of contamination of the ground and ground waters, and can pose other dangers to the public health and environment.

Described below are provisions of the code which relate to underground storage tanks.

GENERAL

Any person who owns an underground storage tank must either obtain a hazardous materials permit to operate the tank, as required by the local Health Code and the California Health and Safety Code, commencing with Section 25280, or cause removal of the tank and contaminated soils, if any. All closures and removals must be authorized by the Department of Public Health.

The Director of Public Health is empowered to issue directives as to what monitoring must be done to assess the degree of contamination present and to evaluate what clean-up must be undertaken in order to assure re-occupancy of the affected area.

Any person who has violated the requirements of the code is liable to the City for costs incurred in cleaning up and abating the effects of the violation or taking other remedial action.

ABANDONED STORAGE TANKS

Any owner of real property having reason to believe that an abandoned storage tank is located on or under the real property, or under the surface of any public street, sidewalk, alley, court or other place subject to an easement of public access that is immediately adjacent to the real property, must make a reasonable effort to locate and identify the tank. Whenever an abandoned tank is located, the owner must file a plan for the closing or permitting of the tank within 30 days of its discovery. Any closure plan must conform to the standards specified in the code, and regulations promulgated by the Director of Public Health to ensure that the threat to public health or the environment from residual hazardous materials stored in the tank is eliminated and that the removal, disposal and neutralization of the hazardous materials has been accomplished in an appropriate manner.

STATE STANDARDS FOR TANK CLOSURES


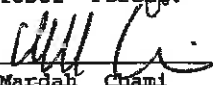
Section 25298 of the California Health and Safety Code provides in part, as follows:

No person shall close an underground tank system unless the person undertakes all of the following actions:

- (a) Demonstrates to the local agency that all residual amounts of the hazardous substances which were stored in the tank system prior to its closure have been removed, properly disposed of, and neutralized.
- (b) Adequately seals the tank system to minimize any threat to the public safety and the possibility of water intrusion into, or runoff from, the tank system.
- (c) Provides for, and carries out, the maintenance of the tank system as the local agency determines is necessary.
- (d) Demonstrates to the appropriate agency, which has jurisdiction over the site, that the site has been investigated to determine if there are any present, or were past, releases of hazardous substances, and if so, that appropriate corrective or remedial actions have been taken.

ADVISORY

If Seller does not provide Buyer with a written report by a licensed contractor specializing in USTs stating that no such tanks can be located, then Buyer is advised to conduct Buyer's own professional inspection.

 _____ Seller Yusef Perete	Date	9/5/11	
			_____ Buyer
 _____ Seller Mardah Chami	Date	9/5/11	
			_____ Buyer



**GENERAL INFORMATION STATEMENT AND ACKNOWLEDGMENT
OF RECEIPT OF LOCAL RESIDENTIAL ENERGY AND WATER
CONSERVATION ORDINANCE INFORMATIONAL BROCHURE**

SAN FRANCISCO ASSOCIATION OF REALTORS® STANDARD FORM

This form is intended for use in the City and County of San Francisco only.

Property Address: 3647 22nd St, San Francisco, CA

Contract dated: _____

Buyer(s): _____

Seller(s): Yosef Peretz Mardah Chami

The San Francisco Association of REALTORS® ("SFAR") has compiled the general information contained in this document to assist Buyers and Sellers of residential real property in the City and County of San Francisco ("City") in gaining an understanding of certain energy and water conservation and inspection laws enacted by the City.

SFAR also provides this form for convenience of the parties in acknowledging receipt of a copy of an "informational brochure" issued by the City.

Buyers and Sellers are urged to use the utmost care and diligence in reviewing and investigating all matters pertaining to these laws. And it is strongly recommended that Buyers in particular do so before removing any contingencies.

Any questions regarding the general information below, the City's "informational brochure" or the referenced law should be directed to a qualified inspector or attorney. Real estate brokers and agents are qualified to advise on real estate transactions, not legal matters.

By signing in the space provided below, Buyers and Sellers acknowledge receipt of a copy of the attached City and County of San Francisco "informational brochure" entitled, "What You Should Know About San Francisco's Residential Energy and Water Conservation Requirements."

Seller: [Signature] Date: 9/5/11

Seller: [Signature] Date: 9/5/11

Buyer: _____ Date: _____

Buyer: _____ Date: _____

NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY INFORMATION IN THIS DOCUMENT FOR ANY SPECIFIC TRANSACTION. REAL ESTATE LICENSEES ARE QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS, NOT LEGAL MATTERS. THEY CANNOT AND WILL NOT DETERMINE WHETHER ANY PROPERTY OR PARTY IS OR IS NOT IN COMPLIANCE WITH SAN FRANCISCO'S RESIDENTIAL ENERGY AND WATER CONSERVATION REQUIREMENTS. FURTHER, THEY ARE NOT QUALIFIED TO DETERMINE WHETHER THE WORK PERFORMED BY OTHER LICENSED PROFESSIONALS IS ADEQUATE OR ACCEPTABLE UNDER THESE LAWS. FOR LEGAL ADVICE, EACH PARTY IS URGED TO CONSULT A QUALIFIED ATTORNEY. FOR ANY OTHER ADVICE, THEY ARE EACH URGED TO CONSULT THE APPROPRIATE PROFESSIONAL.

General Information Regarding the San Francisco Residential Energy and Water Conservation Requirements

Introduction

The following general information is provided by the San Francisco Association of REALTORS® ("SFAR") regarding certain relatively new amendments to existing residential energy and water conservation laws in San Francisco. Any and all questions regarding these laws should only be answered by a qualified attorney. Real estate brokers and agents are not qualified to provide answers to any such legal questions.

The laws generally discussed below were enacted by the City and County of San Francisco ("City") and require the Seller to complete certain inspection, compliance and notice requirements before the close of escrow.

Recent amendments to these laws effective July 1, 2009 require more water efficient showerheads, faucets and toilets. In addition, Sellers must locate and repair all water leaks. And the amendments make the inspection, compliance and notice provisions of the laws more comprehensive.

Summary of Key Requirements

The recent amendments can be summarized as follows:

1. They apply to all residential real property.
2. The obligation to comply with them is triggered by the Seller entering into a contract to sell with a Buyer.
3. The Seller is obligated to comply with these laws.
4. The Seller can transfer that obligation to the Buyer by holding back 1% of the sales price in escrow. This is discussed in the City's "information brochure" mentioned below in greater detail.
5. After entering into a contract to sell, the Seller must hire a "qualified inspector" to inspect Seller's property using a special inspection form issued by the City ("City Inspection Form").
6. The City maintains a list of "qualified inspectors" at its Department of Building Inspection ("DBI").
7. The Seller's "qualified inspector" must submit a completed City Inspection Form for the property to the City within 15 days after the inspection.
8. The Seller must install the conservation measures specified by that inspector in the completed City Inspection Form for the property (e.g., under the amendments, install new toilets with a rated flush volume not exceeding 1.6 gallons per flush and otherwise in compliance with the SF Plumbing Code's requirements).
9. The Seller's "qualified inspector" must certify installation of all of the specified conservation measures at the property by completing and filing a special compliance form issued by the City ("City Compliance Form").
10. The Seller must record the completed City Compliance Form at or before the close of escrow.
11. Before the close of escrow, the Seller must provide a copy of both the City Inspection Form and City Compliance Form to the Buyer. It is recommended that the Seller provide the Buyer with these copies as soon as reasonably possible after the Seller receives them from his or her "qualified inspector."

12. Before the close of escrow, the Seller must provide the Buyer with a disclosure regarding these laws. The City has prepared an "informational brochure" that can be used for this disclosure. It is available from the City's Department of Building Inspection and is entitled, "*What You Should Know About San Francisco's Residential Energy and Water Conservation Requirements.*" It is recommended that Seller provide the Buyer with the City's "informational brochure" along with the Transfer Disclosure Statement for the property being sold.

What Topics Does the City's "Informational Brochure" Cover?

The City's "informational brochure" covers the following topics:

- Overview
- Who Must Comply?
- Special Conditions/Exemptions
- What the Law Requires
- Postponement of Requirements
- How Can You Comply?
- Special Appeals
- Escrow Accounts
- What Are The Costs?
- Questions

The contents of the City's "informational brochure" are not repeated here. To view an on-line copy of the "informational brochure" go to: <http://www.sfdbi.org/Modules/ShowDocument.aspx?documentid=124>. It is recommended that the Seller and Buyer carefully review the brochure and its contents and refer any questions to a "qualified inspector" or real estate attorney knowledgeable about this San Francisco law. A real estate broker or salesperson is not qualified to answer any such questions.

Additional Comments

The recent amendments also have an exemption for existing medical necessity upon request by the occupant subject to certain procedures and verifications in the water conservation measures. And there is an exemption for removing toilets that the Seller contends "detract from the historical integrity of the building," again on request and subject to certain procedures.

But there is no exemption for:

1. REOs or "real estate owned" properties sold by a bank or for "short sales";
2. Condominium units; and

3. "Fixer-Uppers" where the Buyer is going to demolish and remodel the existing bathrooms and put in new toilets in compliance with these laws.

Nor is there any "Seller affidavit exception" for these laws.

Unless an exemption applies, the Seller must always comply with the water conservation inspection and installation measures even if when the Seller bought the property it was in compliance. However, the Seller is not obligated on resale to comply again with the energy conservation inspection and installation measures on condition that Seller's property is a (a) residential building for which proof of compliance with the energy conservation requirements of this ordinance was previously submitted to DBI and recorded with the City Recorder's Office; or (b) as regards any portion of such a property subject to a building permit granted by the City after July 1, 1978.

There is a spending limit or "cap" for compliance with the energy conservation measures, as opposed to the water conservation measures. For energy compliance, for properties with three or more units, the Seller is not in any event obligated to spend more than one (1%) percent of the purchase price indicated on the real estate sales contract or of the assessed value of the building, whichever is greater. For properties with one or two units, the most that the Seller must ever pay to comply with the energy inspection measures is \$1300.

There is no spending limit or "cap" for compliance with the water conservation measures.

As of the effective date of this advisory, there is a lawsuit challenging these laws but it is recommended that any Buyer or Seller not make any assumptions about its outcome as that would be highly speculative.

The San Francisco Public Utilities Commission ("SFPUC") provides free showerheads and faucet aerators to San Francisco residents and there is a rebate program to reduce the cost of water-efficient toilets. More detailed information also is available by calling the SFPUC Water Conservation at 415-551-4730 and on the web at www.sfwater.org. To view a copy of the Residential Water Conservation Ordinance, go to: <http://sfgov.org/site/uploadedfiles/bdsupvrs/ordinances09/o0076-09.pdf>. To view "Frequently Asked Questions" concerning the amendments, prepared by the SFPUC, go to: http://sfwater.org/detail.cfm/MC_ID/13/MSC_ID/168/MTO_ID/357/C_ID/4642/ListID/2.

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File the Residential Energy Conservation Inspection Form under the Residential Water Conservation Form with DBI.

After the inspection by one of the above, the owner or the owner's representative shall then file the Residential Energy Conservation Inspection Form under the Residential Water Conservation Form indicating the results of the inspection with Housing Inspection Services within 15 days of completing the inspection. A filing fee per Section 110, Table 1-4 of the San Francisco Building Code is required.

NOTE: If you are converting your building to a condominium, DBI will perform the energy and water inspection as part of the total conversion inspection review.

Compliance:

COMPLY WITH THE REQUIRED STANDARDS as specified by the Inspector in the report. You may choose to perform the work yourself and greatly reduce the costs of compliance, or you may hire someone to perform the work.

OBTAIN FINAL COMPLIANCE by having the Residential Energy Conservation Inspection Form under the Residential Water Conservation Inspection Form completed by one of the inspectors designated below certifying that all of the required measures have been fully completed with:

- The same inspector who did the initial inspection;
- A DBI certified private energy inspector;
- An authorized DBI Inspector;
- State licensed contractors for 1 and 2 family dwellings. Work on a project valued at \$500.00 or more in labor and material shall be pursuant to the regulations of the Contractor's State Licensing Board.

After the Residential Energy Conservation Form under Residential Water Conservation Form are properly signed by the certifying inspector, it must be filed with the Housing Inspection Services Division at 1650 Mission St., 6th Floor, as proof of compliance. A filing fee per Section 110, Table 1-4 is required.

Record the final document.

After filing & approval of the Residential Energy Conservation Inspection Form under the Residential Water Conservation Form a certificate of compliance is issued and must be recorded by the building owner or the owner's representative, with the San Francisco County Recorder's office. This recording must occur prior to or concurrent with transfer of title.

APPEALS

- A person may appeal the results of an energy and/or water inspection, if:
- There is disagreement regarding the requirements as determined by the inspector;
 - The application of an ENERGY efficiency measure is not cost effective;
 - The owner wishes to apply for an exemption from installing an efficient light based on impacts to the historical integrity of the building.

There is a fee per Sec. 110, Table 1-4 of San Francisco Building Code required for the appeal. Appeals must be made to the Department of Building Inspection, within 10 working days from the date the completed inspection form was filed with DBI. The determination of the Director shall be final.

ESCROW ACCOUNT

Escrow Account

(Energy and Water Conservation Escrow Account) The seller or the seller's authorized agent may transfer responsibility for compliance to the buyer

PROVIDED the following conditions are met prior to sale:

- A valid energy and water inspection has been performed and filed with Housing Inspection Services along with a Notice of Escrow Account (Form C).
- A written agreement signed by the buyer and seller which is placed into the escrow account and states the following:
 - Buyer agrees to comply within 180 days of transfer of title;
 - Seller agrees that funds equal to 1% of the purchase price indicated on the accepted purchase offer shall be placed in the escrow account and disbursed according to the terms of the ordinance.

NOTE: Not all title companies have agreed to hold these funds according to the terms of the ordinance. Consult with your title company first if you choose to transfer responsibility.

FINANCIAL COSTS

The amount you will have to spend in order to comply with the energy and water requirements depends upon when you choose to comply and the number of units in your building.

There is no statutory limit on the cost of complying with the WATER conservation requirements.

In the case of 1 or 2 family dwellings and individual condominiums and co-op units within complying with the ENERGY requirements as an entire building, the maximum expenditure will be \$1,500.

In the case of buildings containing 3 units or more (including condominiums), if you comply with the ENERGY requirements before you sell your property, your maximum expenditure will be 1% of the assessed value of the building. If you comply with the ENERGY requirements as a result of a pending sale, the maximum expenditure will be 1% of the purchase price as stated in the real estate sales contract.

QUESTIONS

Should you wish further information regarding the energy and water conservation requirements, call the Housing Inspection Services, at (415) 556-6720 between 8:00 AM and 5:00 PM. You may also visit the office at 1650 Mission St., 6th Floor, San Francisco, CA 94103.

For more information on efficient light fixtures and time water-efficient devices which can help achieve compliance with the water conservation ordinance, please contact the San Francisco Public Utilities Commission at (415) 551-4720 or visit <http://www.sfpuc.org>.



Department of Building Inspection
Housing Inspection Services
1650 MISSION STREET
SAN FRANCISCO, CA 94103-3041



The only way your community's goals can be met is through the leadership of the City and County of San Francisco. We are committed to the highest standards of public safety and we will make it a priority.

San Francisco enacted a Residential Energy Conservation Ordinance, effective September 20, 1982 and amended in 1993 and 1994, that requires residential property owners to provide certain energy and water conservation measures for their buildings. A separate Residential Water Conservation Ordinance was enacted in 1991 and amended in 2009 that expands the water conservation requirements. The intent of these laws is to protect natural resources and cut greenhouse gas emissions through reduced energy and water use. The required improvements will also save on the impact of rising energy and water costs on renters and homeowners alike.

It is advantageous for all property owners to comply with the requirements now. Even if you do not intend to sell your property in the near future, the savings in energy and water costs are immediate. The following information is a summary of the code (including water conservation measures required by Ordinance No. 76-09) found in Chapters 12 and 12A of the San Francisco Housing Code.

PROPERTY TRANSFER

Prior to transfer of title as a result of a sale, all owners of:

- Single and two family dwellings
- Apartment buildings (including such condominium unit sold);
- Residential hotels;

Owner's compliance is also required when one of the following situations occurs:

- **Mortgage Conversion:** As a condition for issuance of a Certificate of Inspection and Approval for mortgage conversion by the Department of Building Inspection (DBI). A mortgage conversion is defined as the removal of one or more units from the master to an individual meter;

- **Major Improvements:** As a condition for issuance of a Certificate of Inspection and Approval upon completion of improvements having an estimated valuation as follows:
 - 1 & 2 family units - in excess of \$20,000;
 - 3 units and up, excluding residential hotels - in excess of \$6,000 per unit;
 - residential hotels - in excess of \$1,000 per unit;

- **Condominium Conversion:** As a condition for issuance of a Certificate of Final Completion and Occupancy for a residential condominium conversion;

RENTAL COMPLIANCE/RENTAL POINT

WATER conservation inspections are required prior to EACH SALE of most residential buildings, regardless of prior energy and water compliance certification.

ENERGY conservation inspections are NOT REQUIRED for the sale of:

- A residential building for which proof of energy compliance has been properly recorded;

- A residential building that was granted a building permit for its construction on or after July 1, 1979;

WATER and ENERGY conservation compliance is NOT REQUIRED for the following properties or portions of properties (pursuant to Chapters 12 and 12A

of the San Francisco Housing Code), but these properties or portions of properties ARE REQUIRED to comply with WATER conservation measures by January 1, 2017 (pursuant to Chapter 12A of the San Francisco Building Code):

- Any mobile home;
- Any residential building or portion thereof, which is occupied by a hotel or rental unit and which has a certificate of use for tourist occupancy;
- Any portion of a residential building converted to a tourist hotel;
- Any building or portion thereof which is a five-story occupancy.

WATER and ENERGY conservation inspections are NOT REQUIRED for transfers of title which result from an operation of law rather than by purchase. Examples of such exemptions include:

- Transfers pursuant to court order, e.g., Probate Court; transfers under the Independent Administration of Estates Act are not exempted, unless ratified by a court order;
- Transfers as a result of default;
- Transfers by a fiduciary in the course of the administration of a trust, conservatorship, etc.;
- Transfers from one co-owner to one or more co-owners;
- Transfers to a spouse, domestic partner registered with the State of California, or certain relatives;
- Transfers between spouses or domestic partners as a result of divorce proceedings; and,
- Other transfers as defined in section 1211 of the Housing Code.

NEW RESIDENTS

Owners of residential property who wish to sell their property, must obtain a valid inspection, label certain energy and water conservation devices or materials and then obtain a certificate of compliance.

All of this must occur prior to transfer of title of any residential building as specified in the ordinance, and the seller must provide a copy of the certificate of compliance to the buyer prior to title transfer. Finally, the certificate of compliance must be recorded with the San Francisco County Recorder's Office prior to or concurrent with the transfer of title.

For One and Two Family Dwellings

The following WATER conservation measures are required to be complied with as applicable:

- **Low-Flow Showerheads**

The maximum flow permitted through a showerhead is 2.5 gallons per minute or less. If your showerhead does not meet this requirement, it must be replaced. All showerheads may have no more than one showerhead per valve. "Showerhead" includes rain heads, rain fans or any other fitting that transmits water for the purpose of showering.

- **Flush and Faucet Aerator**

An aerator with a flow rate of 2.2 gallons per minute or less is to be installed on all sink faucets. Faucets not designed to accept aerators are not be installed,

unless the fixture has a flow rate of 2.2 gallons per minute or less at a working pressure allowed by the plumbing code.

- **Efficient Toilets**

All toilets must have a maximum rated water consumption of 1.6 gallons per flush or less. If your toilet does not meet this requirement, it must be replaced. Modifications to toilets with a rated water consumption greater than 1.6 gallons per flush do not comply. A plumbing permit is not required for a simple toilet replacement. However, if alterations to the plumbing system are necessary, a plumbing permit is required. Residential properties may be exempted from toilet replacements that compromise the historical integrity of the building pursuant to the California Historical Building Code as determined by the Department of Building Inspection.

- **Leak Repair**

All plumbing leaks must be located and repaired. Both of the following leak detection methods are required:

- **Water meter registration test** - compliance is achieved if there is no meter movement for ten minutes while all household fixtures are shut off.
- **Fixture leak detection** - all tank-type toilets must be tested with leak detection dye, and all dishwasher type fixtures must be visually checked for proper water operation.

The following ENERGY conservation measures are required to be complied with as applicable:

- **Insulate accessible attic space** to a minimum value of R-19. Existing R-11 insulation is deemed acceptable as meeting or greater requirements.

As of January 1, 2014, caulking may be blown directly over all types of wiring without need of providing a two inch clearance. Fiberglass or other organic insulation materials may be blown directly over all types of wiring. All Electrical junction boxes, lives, and light fixtures must be kept clear or protected from all insulation materials. Prior to insulation in areas with knob and tube wiring, the wiring system must be inspected and approved by a licensed electrical contractor and this signed approval, with the electrical contractor's state license number, must be submitted with the energy inspection report.

- **Weatherstrip all doors** leading from heated to unheated areas.

Combination rigid metal and vinyl lead type strip is the most durable and effective. All sides of the door must be weatherstripped, including the threshold. Foam and felt type strip is not acceptable, and all stripping must be permanently secured.

- **Insulate hot water tanks.**

A jacket of R-8 insulation value or greater must be provided on all applicable hot-water pressure relief valves. If missing, must be provided prior to installation in order to prevent any explosion hazards. Additionally, the first 4 feet of hot water line must be insulated to a minimum R-4 value. Fiberglass pipe wrap or pre-cut, closed cell foams with a wall thickness of 3/4 inch or greater are most commonly used for this job.

- **Caulk and seal openings** in building exterior.

This is needed to reduce air infiltration by closing any openings or cracks greater than 1/4 inch wide. Pipes to plumbing fixtures, roof-dots without caps, and open poorly vents are all examples of areas that can be sealed to prevent air infiltration.

- **Insulate accessible heating and cooling ducts.**

Insulation with a R-3 value or greater must be provided for all heating and cooling ducts, including plenums. This insulation should be secured with 160 coated metal or built-in. Duct tape tends to come apart and is not recommended. If located in a high traffic area, a "board" fastener may be desirable.

For Apartments & Residential Buildings

All WATER conservation measures required for one and two family dwellings except that for leak detection an inspector may use visual inspection instead of a water meter registration test.

All ENERGY conservation measures required for one and two family dwellings plus:

- Insulate steam and hot water pipes and tanks;
- Clean and tune boilers;
- Repair boiler leaks;
- Time clock control on the burner. Work pertaining to the boiler, including time clock control, must be performed by a licensed C-1 contractor who, after completing all required boiler work, will affix a tag of compliance certification on the boiler time clock door or nearby.

DEPARTMENT OF ENVIRONMENT

Apply online for a residential permit and allow for preparation of the energy and water conservation requirements to be new. Failure to comply after one year will require immediate compliance with the energy and water conservation measures.

HOW CAN YOU COMPLY?

Obtain an energy and/or water inspection from one of the following:

- **THE DEPARTMENT OF BUILDING INSPECTION (DBI) HOUSING INSPECTION SERVICES (HIS)** will inspect within one or two days after your call. Payment for the inspection must be made before the report can be released. If you desire to have DBI-HIS perform the inspection, call (415) 558-8220, 8:00 AM to 6:00 PM, or visit 1560 Mission St., 6th floor. These City inspections are limited to conducting only the Energy and Water Inspection. The housing inspector will not include other code violations in the report nor can they do any of the required work.

- **A CERTIFIED PRIVATE ENERGY AND WATER INSPECTOR**, who will inspect for a fee (fee are not set by the City). A list of DBI certified inspectors is available at the Housing Inspection Services, 1560 Mission St., 6th Floor, between 8:00 AM and 6:00 PM, for a copy. You can call (415) 558-8220 for information regarding how to become a certified energy inspector.



GENERAL INFORMATION REGARDING DISCLOSURE OF ADJACENT INDUSTRIAL USES

(San Francisco Administrative Code Section 35.6)

SAN FRANCISCO ASSOCIATION OF REALTORS® STANDARD FORM

Note: The following is for informational purposes only. No representation is made as to its legal validity or adequacy for a specific transaction. It should be understood that the San Francisco Association of REALTORS® neither guarantees nor warrants the accuracy of the information contained in this document. Further, it makes no representation regarding the adequacy of any information contained in this document as it relates to any specific transaction. It is strongly recommended that all parties to any specific transaction use the utmost care and diligence in reviewing and investigating all matters which may be relevant to that transaction. For legal advice, consult a qualified attorney.

What is the applicability of San Francisco Administrative Code Section 35.6? Section 35.6 applies to all residential real property sold or leased that is within 150 feet of or within "Industrial Use Zoning Districts."

Who must comply with Section 35.6? Every "transferor" (seller or lessor) of any residential real property subject to Section 35.6.

What does Section 35.6 require from the transferor? Timely delivery to a buyer or tenant of a written disclosure in a particular form with a required affidavit signed by the transferor and subsequent storage for two years of the original signed affidavit attached to a copy of the disclosure so that the transferor can provide a copy of same to the City or transferee upon request.

When is the Section 35.6 disclosure to be given? The timing for delivery of the new disclosure is as follows: (1) For a sale, "as soon as practicable before transfer of title"; and, (2) For a lease, "prior to tenant(s) signing a [the] lease...".

What is the definition of an "Industrial Use Zoning District"? An "Industrial Use Zoning District" currently means a zoning district designated by the City of San Francisco as follows: C-M (Heavy Commercial), M-1 (Light Industrial), M-2 (Heavy Industrial), SPD (South Park), RSD (Residential/Service Mixed Use), SLR (Service/Light Industrial/Residential Mixed Use), SLI (Service/Light Industrial), SSO (Service/Secondary Office), or MB-CI (Mission Bay-Commercial Industrial). Additionally, upon adoption by the City of San Francisco of the permanent "Eastern Neighborhoods Zoning Controls," areas within those neighborhoods that allow for "Production, Design and Repair Uses," such as publishing, audio visual, arts, fashion, transport, food/event, interior design, construction, equipment and motor vehicles, will also be deemed to be "Industrial Use Zoning Districts."

What is the penalty for noncompliance? "Any person who fails to provide the disclosure required by this Section may be liable for a civil penalty of not less than \$500 for each failure to provide said disclosure." Further, "[t]he City Attorney also may seek recovery of the attorneys' fees and costs incurred in bringing a civil action [to recover said penalty]."

Can a transferee sue for noncompliance? "The current or former transferee...may institute a civil proceeding for money damages of not less than \$500 for each failure to provide the disclosure...and whatever other relief the Court deems appropriate. The prevailing party shall be entitled to reasonable attorneys' fees and costs pursuant to order of the Court. The remedy available under this subsection shall be in addition to any other existing remedies that may be available to the transferee."

Where can I get further information? The Planning Department for the City of San Francisco maintains on-line zoning maps that depict the location of each "Industrial Use Zoning District." The link is: http://www.sfgov.org/site/planning_index.asp. Further questions in this regard should be directed to the Planning Department which is located at 1660 Mission Street, 5th Floor, San Francisco, California (telephone: 415-558-6378). For any legal advice regarding the above or any other legal matter, consult a qualified attorney.

No representation is made as to the legal validity or adequacy of the above in any specific transaction. A real estate broker is the person qualified to advise on real estate transactions, not legal matters. For any legal advice regarding the above or any other legal matter, consult a qualified attorney.



BUYER'S APPROVAL OF PARKING AND STORAGE

SAN FRANCISCO ASSOCIATION OF REALTORS® STANDARD FORM

This form is intended for use primarily in San Francisco and the northern peninsula.

RE: Contract for the Sale and Purchase of Real Property dated _____
for the Property known as 3647 22nd St San Francisco CA 94114
between _____ (Buyer)
and Yosef Peretz Mardah Chami (Seller).

Buyer has been advised that discrepancies occasionally exist in condominium projects, cooperatives and tenancies-in-common, involving the parking spaces and storage areas associated with specific units.

Buyer understands that the best way to ascertain whether or not Buyer's motor vehicle(s) will adequately fit into the parking space(s) to be transferred or assigned in the purchase of the subject Property is to actually PARK Buyer's vehicle(s) in the assigned space(s).

Buyer further understands that the parking space(s) and storage area(s) allocated to the Property should be described on the Condominium Map or in the Conditions, Covenants and Restrictions for condominium projects, or in equivalent documents, if any, for cooperatives and tenancies-in-common ("Association Documents"). Buyer understands that the actual markings, striping and numbering for parking in the garage and the physical construction of the storage area(s) may be in conflict with the location(s) designated in the Association Documents.

By signing below, Buyer acknowledges the following:

1. Buyer has personally inspected the parking space(s) and compared the actual location(s) with those described in the Association Documents. If any discrepancies exist, Buyer is satisfied that they are not material to Buyer's purchase.
2. Buyer has successfully driven into the garage and parked Buyer's vehicle(s) in the parking space(s) designated as being allocated to Buyer's unit, or if not, Buyer is satisfied by visual inspection that Buyer's vehicle(s) will fit.
3. Buyer has personally inspected the storage area(s) and compared the actual location(s) with those described in the Association Documents. If any discrepancies exist, Buyer is satisfied that they are not material to Buyer's purchase.
4. Buyer has personally determined that the parking space(s) and storage area(s) are adequately identified and described in the Association Documents. The space(s) are acceptable for Buyer's intended needs and uses of the Property and Buyer is not relying on the Broker(s) involved in this transaction to make that determination.

Except for information contained in Seller's and Agent's Property Disclosure Statements, Buyer has not relied upon representations by Seller or Broker(s) as to the parking and storage for the Property.

Exceptions (attach separate sheet, if necessary):

Buyer _____ Date _____ Buyer _____ Date _____

Acknowledged and Agreed (only necessary if Exceptions have been included above)

Seller Yosef Peretz Date 9/5/11 Seller Mardah Chami Date 9/5/11



PARAGON REAL ESTATE GROUP

**Acknowledgment of Sellers' and Tenants'
Duty to Protect Their Property**


While _____ ("the Property") is marketed for lease or sale, potential buyers, other brokers, inspectors, and other people will have access to it. You should make sure that it is safe for such visits. To that end, you should take precautions to protect the Property so that it will not be damaged, lost or stolen.

It is recommended that jewelry and other valuables be placed in a safe deposit box while the Property is being marketed for lease or sale. If you choose to keep any of your valuables in the Property, we recommend that they be kept under lock and key so that no one but you has access to them.

It is recommended that you consult your insurance company to be sure that your insurance coverage is adequate during the listing and escrow period for any losses which may occur including, but not limited to, personal injury, property damage and theft. Your policy may not provide coverage if the property is vacant.

Paragon Real Estate Group will do everything possible to make the lease or sale of the Property as convenient as possible for you; however, we are not responsible for the Property or your insurance coverage. That is why we are requesting that you take the necessary steps to protect yourself.

Acknowledgment of Receipt:

_____ Seller/Lessor	 _____ Seller/Lessor	_____ Date	9/5/11 _____ Date
_____ Tenant		_____ Date	

**NOTICE TO BUYERS AND SELLERS REGARDING
FOREIGN INVESTMENT REAL PROPERTY TAX ACT (FIRPTA)**

The United States in 1980 adopted the Foreign Investment in Real Property Tax Act (FIRPTA). Under FIRPTA, Buyers are legally obligated to withhold ten percent (10%) of the gross sales price otherwise payable to the Seller. Buyers must pay that 10% amount to the Internal Revenue Service (IRS) unless Seller, or the particular transaction, is exempt.

Sellers are exempt if **all** Sellers give the escrow holder completed FIRPTA Seller Affidavits signed by all Sellers, which Affidavits must state, among other things, that the Sellers are not nonresident aliens. FIRPTA requires these Seller's Affidavits to include the taxpayer identification number of the Sellers ("TIN"). For individuals this is the usually Seller's Social Security Number ("SSN").

This requirement is satisfied if the Seller's Affidavits which include the individual seller's SSN's are delivered to the escrow holder, and the escrow holder in turn provides the buyer with a statement under penalty of perjury that they have the required Sellers' Affidavits with the SSN's in their possession (the "Escrow Holder's Statement").

ATTENTION SELLERS: If you, as the Sellers, are relying on the exemption that you are not nonresident aliens, you must provide the escrow holder with a completed Seller Affidavits including your SSN's.

ATTENTION BUYERS: If, after a request to do so, the escrow holder does not, or is unable to, deliver to you the required Escrow Holder's Statement, you should:

- A. Instruct the escrow company to withhold 10% of the gross sales price and pay that amount to the IRS for the tax account of the Seller; and/or:
- B. Instruct the escrow company to delay the closing of escrow for the transaction until you are provided with the required Escrow Holder's Statement.

In the event the Sellers and/or the escrow holder still refuses to comply with A or B, above, the real estate broker(s) in this transaction recommend that Buyer seek legal advice concerning his/her legal rights before proceeding. If you decide to consummate your purchase with the Sellers without obtaining the required Escrow Holder's Statement, or without withholding 10% of the gross sales price, then you have acted against the advice of your broker/agent, and may be liable to the IRS for that the non-withheld 10% amount plus interest, and penalties if applicable.

NOTE: This Notice is not intended to give tax or legal advice to Sellers or Buyers of real property. Sellers and Buyers are strongly advised to discuss any legal or tax issues related to this transaction with their respective legal and tax advisors; including the contents of this Notice, whether this transaction qualifies for an exemption, or whether Seller qualifies for an exemption, from the requirements of FIRPTA.

I have received and understand this Notice:

_____, 20____
Date

Seller

Seller

_____, 20____
Date

Buyer

Buyer



DISCLOSURE AND CONSENT FOR REPRESENTATION OF MORE THAN ONE BUYER OR SELLER

(C.A.R. Form DA, 10/2000)

A real estate broker, whether a corporation, partnership or sole proprietorship, ("Broker") may represent more than one buyer or seller provided the Broker has made a disclosure and the principals have given their consent.

Broker (individually or through its associate licensees) may be working with many prospective buyers at the same time. These prospective buyers may have an interest in, and make offers on, the same properties.

Broker (individually or through its associate licensees) may have listings on many properties at the same time. As a result, Broker will attempt to find buyers for each of those listed properties.

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

If Seller is represented by Broker, Seller acknowledges that Broker may represent prospective buyers of Seller's property and consents to Broker acting as a dual agent for both Seller and Buyer in that transaction.

If Buyer is represented by Broker, Buyer acknowledges that Broker may represent sellers of property that Buyer is interested in acquiring and consents to Broker acting as a dual agent for both Buyer and Seller with regard to that property.

In the event of dual agency, Seller and Buyer agree that: (a) Broker, without the prior written consent of the Buyer, will not disclose to Seller that the Buyer is willing to pay a price greater than the offered price;

Seller and/or Buyer acknowledges reading and understanding this Disclosure and Consent for Representation of More than One Buyer or Seller and agree to the dual agency possibility disclosed.

Seller/Buyer [Signature] Date 9/5/11

Seller/Buyer [Signature] Date 9/5/11

Real Estate Broker (Firm) Paragon Real Estate Date 9/5/11

By [Signature]

The copyright laws of the United States (Title 17 U.S. Code) forbid the unauthorized reproduction of this form, or any portion thereof, by photocopy machine or any other means, including facsimile or computerized formats.

THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.). NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION.

This form is available for use by the entire real estate industry. It is not intended to identify the user as a REALTOR®. REALTOR® is a registered collective membership mark which may be used only by members of the NATIONAL ASSOCIATION OF REALTORS® who subscribe to its Code of Ethics.

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Reviewed by _____ Date _____



SELLER NOTIFICATION TO BUYER OF ORDINANCE NO. 253-86

The following notification is hereby incorporated and made a part of the Contract for the Sale and Purchase of Real Property dated _____

Covering property known as 3647 22nd St

San Francisco CA 94114

executed by _____

as Buyer(s) and Yosef Peretz Mardah Chami

as Seller(s).

The City and County of San Francisco has enacted Ordinance No. 253-86 relating to hazardous wastes. Applicants for any building permit must comply with the requirements of the ordinance when:

The permit is for a construction project which involves the disturbance of 50 cubic yards of soil or more; and

The parcel of land or part thereof on which the construction or part thereof will occur is located bayward of the high-tide line indicated on certain historic maps maintained by the City and County of San Francisco or within certain areas designated by the Director of the Department of Public Works of the City and County of San Francisco.

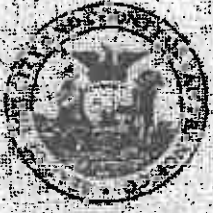
Under the ordinance, the applicant must cause the soil on the property to be analyzed by a certified laboratory for the purpose of determining the presence of hazardous wastes and, where applicable, must complete certain site mitigation measures approved by federal and state authorities.

The undersigned acknowledges receipt of a copy of Ordinance No. 253-86 of the City and County of San Francisco.

Date _____

Buyer _____

Buyer _____



DEPARTMENT OF BUILDING INSPECTION City of County of San Francisco

Building Inspection Services Division 1400 Market Street, Suite 300
San Francisco, California 94102-2174 TEL: (415) 554-2377 FAX: (415) 554-2378

FOR RECORDER'S USE ONLY

SINGLE OR TWO FAMILY DWELLINGS ENERGY CONSERVATION INSPECTION AND CERTIFICATE OF COMPLIANCE FORM

09/29/2011, 7011J273193

REQUIRED BY CHAPTER 12 OF THE CALIFORNIA ENERGY CODE (CEC)

PROPERTY ADDRESS: 2147 12th St
CITY/STATE: San Francisco, CA
BLOCK: 2147 LOT: 2147
DAYTIME PHONE NUMBER: 415-554-2377
IS A BUILDING PERMIT APPLICATION FILED? YES NO
WAS QUERIED ABOUT AFTER MAY 1, 2007? YES NO

DWELLING TYPE: SINGLE FAMILY TWO FAMILY CONDOMINIUM
APPLICABLE SECTION: RESIDENTIAL METER CONVERSION RENEWABLE ENERGY CONVERSION
WAS THE ENERGY WATER WORKS ACCOUNT IN COMPLIANCE WITH THE CEC? YES NO

TABLE WITH 2 COLUMNS: REQUIREMENTS (e.g., 1. Energy audit, 2. Energy audit report, 3. Energy audit report summary) and checkboxes for compliance.

PART C COMPLIANCE CERTIFICATION (Completed by Certified Energy and Water Inspector of California Licensed Inspector)

PART D TO BE COMPLETED BY OWNER OR AUTHORIZED AGENT. Includes signature and date of property owner or authorized agent.

PART E TO BE COMPLETED BY INSPECTOR. Includes signature and date of inspector.

PART F INSPECTION VERIFICATION. Includes signature and date of inspector.

NOTES. Includes handwritten notes and additional information.

Pages 1 thru 2
Received, Read and Understood
Date:
Sig:
Sig:

WOOD DESTROYING PESTS AND ORGANISMS INSPECTION REPORT

BUILDING NO. 3647	STREET 22ND STREET	CITY SAN FRANCISCO	ZIP 94114	Date of Inspection 09/16/2011	NUMBER OF PAGES 6
LINGRUEN ASSOCIATES 1555 Yosemite Ave. # 54 San Francisco, CA 94124 PH# (415) 822-2324 FAX (415) 822-1464 Registration #: PR 0156					Report #: 58164
Ordered by: Bob Wheeler Paragon 1166 Battery San Francisco CA 94111-		Property Owner and/or Party of Interest YOSEF PERETZ 3647 22ND STREET SAN FRANCISCO CA 94114		Report sent to: YOSEF PERETZ	
COMPLETE REPORT <input checked="" type="checkbox"/> LIMITED REPORT <input type="checkbox"/> SUPPLEMENTAL REPORT <input type="checkbox"/> REINSPECTION REPORT <input type="checkbox"/>					
GENERAL DESCRIPTION: Three story wood framed residence with wood exterior siding and vacant.				Inspection Tag Posted: Garage.	
				Other Tags Posted: MARKOFF	
An inspection has been made of the structure(s) on the diagram in accordance with the the Structural Pest Control Act. Detached porches, detached steps, detached decks and any other structures not on the diagram were not inspected.					
Subterranean Termites <input type="checkbox"/> Drywood Termites <input type="checkbox"/> Fungus/Dryrot <input checked="" type="checkbox"/> Other Findings <input checked="" type="checkbox"/> Further Inspection <input type="checkbox"/> If any of the above boxes are checked, it indicates that there were visible problems in accessible areas. Read the report for details on checked items					
Key: 1 = Substructure 2 = Foundations 3 = Steps/Decks 4 = Interior 5 = Exterior 6 = Other					

Pages 1 thru 8
 Received, Read and Understood
 Date: _____
 Sig: _____
 Sig: _____

Please see subsequent pages for diagram.

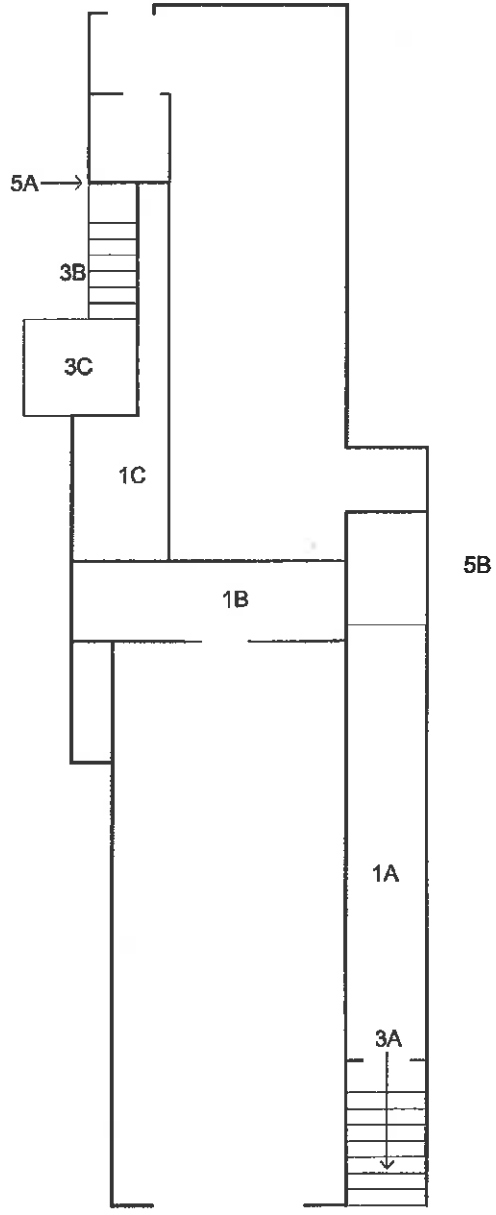
Inspected By GARY FLOWERS License No. OPR 8848 Signature *Gary Flowers*

You are entitled to obtain copies of all reports and completion notices on this property reported to the Structural Pest Control Board during the preceding two years. To obtain copies contact: Structural Pest Control Board, 2005 Evergreen Street, Suite 1500, Sacramento, California, 95816-3831.

NOTE: Questions or problems concerning the above report should be directed to the manager of the company. Unresolved questions or problems with services performed may be directed to the Structural Pest Control Board at (916) 561-8708, (800) 737-8188 or www.pestboard.ca.gov.

SECOND PAGE OF STANDARD INSPECTION REPORT OF THE PROPERTY LOCATED AT:

3647 BLDG. NO.	22ND STREET STREET	SAN FRANCISCO CITY
09/16/2011 DATE OF INSPECTION		58164 CO. REPORT NO.



FRONT

THIRD PAGE OF STANDARD REPORT OF THE PROPERTY LOCATED AT:

3647	22ND STREET	SAN FRANCISCO
BLDG. NO.	STREET	CITY
09/16/2011		58164
DATE OF INSPECTION		CO. REPORT NO.

IMPORTANT: Read this document. It explains the scope and limitations of a Structural Pest Control Inspection and Wood Destroying Pest and Organism Inspection Report.

A Wood Destroying Pest and Organism Inspection Report contains findings as to the presence or absence of wood destroying pest and organisms in the visible and accessible areas and contains recommendations for correcting any infestations or infections found. The Structural Pest Control Act and Regulations govern the contents of the inspection report. Some structures may not comply with building code requirements or may have structural, plumbing, electrical, heating, air conditioning, or other defects that do not pertain to wood destroying organisms. A Wood Destroying Pest and Organism Inspection Report does not contain information on such defects, if any, as they are not within the scope of the licenses of either the inspector or the company issuing the report. All recommendations for repairs are contingent upon approval by the local building department. Any changes, modifications, or redesign required by said building department, including handicap access and architectural/engineered plans are not included and may result in additional costs.

The Structural Pest Control Act requires inspection of only those areas which are visible and accessible at the time of inspection. Some areas of the structure are not accessible for inspection, such as the interior of walls, floors, or ceilings, areas concealed by carpeting, built-in appliances, or cabinetwork. Infestations or infections may be active in these areas without visible evidence. This company renders no guarantee against any infections, infestations, or any adverse condition which may exist in such areas or may become evident in such areas after this date. If you desire information about areas that were not inspected, further inspection will be performed at additional cost.

This company does not guarantee against leakage, such as (but not limited to), plumbing, appliances, doors, windows, shower or tub enclosures, roof or deck coverings. We offer no guarantee against moisture penetration through foundations or into basements and subareas. If information regarding drainage systems, runoff, or ground water is desired, interested parties are advised to consult a soils engineer.

The exterior surface of the roof was not inspected. If you want the water tightness of the roof determined, you should contact a roofing contractor who is licensed by the Contractor's State Licence Board.

MOLD DISCLAIMER: There may be health-related implications associated with the findings reflected on this report. We are not qualified to render any opinion concerning any such health implications, and no such opinion is expressed. Any questions concerning any health-related implications which may be associated with the findings or recommendations (including recommendations for structural repairs) that are reflected in this report, or concerning indoor air quality, should be directed to a qualified professional.

Note: This company will reinspect repairs done by others within four months of the original inspection. A charge, if any, can be no greater than the original inspection fee for each reinspection. The reinspection is a visual inspection and if inspection of concealed areas is desired, inspection of work in progress will be necessary. Any quarantees must be received from parties performing repairs.

NOTICE: Reports on this structure prepared by various registered companies should list the same findings (i.e. termites infestations, termite damage, fungus damage, etc). However, recommendations to correct these findings may vary from company to company. You have a right to seek a second opinion from another company.

ARBITRATION: Any party using this report agrees to the following: Any controversy or claim out of or relating to this report, or the breach thereof, shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Association, and judgement upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

This is a separated report, which is defined as Section I/Section II conditions evident on the date of the inspection. Section I contains items where there is visible evidence of active infestation, infection, or conditions that have resulted in or from infestation or infection. Section II items are conditions deemed likely to lead to infestation or infection but where not visible evidence of such was found. Further inspection items are defined as recommendations to inspect area(s) which during the original inspection did not allow the inspector access to complete the inspection and cannot be defined as Section I or Section II.

FOURTH PAGE OF STANDARD INSPECTION REPORT OF THE PROPERTY LOCATED AT:

3647	22ND STREET	SAN FRANCISCO
BLDG. NO.	STREET	CITY
09/16/2011		58164
DATE OF INSPECTION		CO. REPORT NO.

1. SUBSTRUCTURE

1A FINDING: (Section 2)

Cellulose debris was noted in subarea.

RECOMMENDATION:

Remove all cellulose debris of a rakeable size or larger.

1B FINDING: (Section 2)

Base of partition wall(s) are constructed flush with the concrete floor/slab. No infestation or damage was noted.

RECOMMENDATION:

Cut off base of walls and install elevated concrete support or pressure treated sill plates.

1C FINDING: (Section 2)

Furnace area crawl space is physically inaccessible; however, visual inspection through framing revealed sound and dry wood members. No conditions were noted to warrant further inspection.

RECOMMENDATION:

Periodic inspection is advised.

3. Steps/Decks

3A FINDING: (Section 1)

Previous repairs by others were noted at the front supporting center stair stringer. Some damage still remains; however, condition present does not appear to warrant additional structural alterations.

RECOMMENDATION:

Chemically treat stair framing for fungus control.

Chemical: Tim-Bor

3B FINDING: (Section 1)

Fungus damage was noted at stair assembly.

RECOMMENDATION:

Remove all damaged wood and repair with new material. Chemically treat as necessary. NOTE: Any modification or redesign as may be required by the local building inspector will be provided at additional cost. Interested parties are advised to consult the local building inspector prior to commencement of repair. Painting or staining is not included.

Chemical: Copper, Tim-Bor

3C FINDING: (Section 2)

On grade construction of deck limits inspection of framing members. No damage was noted in the visible and accessible areas. No guarantees are submitted regarding inaccessible framing.

RECOMMENDATION:

Interested parties to maintain deck surfaces and have periodic inspections.

FIFTH PAGE OF STANDARD INSPECTION REPORT OF THE PROPERTY LOCATED AT:

3647	22ND STREET	SAN FRANCISCO
BLDG. NO.	STREET	CITY
09/16/2011		58164
DATE OF INSPECTION		CO. REPORT NO.

5. EXTERIOR

5A FINDING: (Section 1)

Fungus damage was noted at exterior 4x4 corner post.

RECOMMENDATION:

Repair damaged wood members and chemically treat as necessary. If damage is found in enclosed wood members a supplemental report and cost estimate will be submitted. Painting is not included. Repair or refinishing of interiors is not included.

Chemical: Tim-Bor

5B FINDING: (Further Inspection)

Exterior area(s) indicated about adjacent property.

RECOMMENDATION:

Perform further inspection and issue a supplemental report when access can be gained to adjacent property.

6. OTHER

NOTE:

Subarea/basement framing is inaccessible due to finished walls and/or ceilings. There was no outward evidence of infestation or damage noted to warrant further inspection at this time; however, any guarantees regarding inaccessible wood members cannot be made. Further inspection by defacement of finished materials will only be performed upon specific request and at additional costs. Periodic inspection is advised.

NOTE:

Renovation or remodeling has been performed by others. Information regarding renovation or remodeling should be obtained from the district building inspector and the contractor that performed these services.

NOTE:

Interior rooms and front exterior wall have recently been painted. No adverse conditions were noted and no guarantee against future leakage is submitted. Interested parties are advised to have periodic inspections.

NOTE:

Property line walls that abut adjacent structures and/or properties and are inaccessible for inspection. No representation can be made regarding these portions of the exteriors. Interested parties are advised to maintain exteriors including any flashing details to adjacent properties.

SIXTH PAGE OF STANDARD INSPECTION REPORT OF THE PROPERTY LOCATED AT:

3647	22ND STREET	SAN FRANCISCO
BLDG. NO.	STREET	CITY
09/16/2011		58164
DATE OF INSPECTION		CO. REPORT NO.

CHEMICAL INFORMATION

CALIFORNIA STATE LAW REQUIRES THAT YOU BE GIVEN THE FOLLOWING INFORMATION: "caution pesticides are toxic chemicals". Structural pest control operators are licensed and regulated by the Structural Pest Control Board, and apply pesticides which are registered and approved for use by the California Department of Pesticide Regulation and the United States Environmental Protection Agency. Registration is granted when the state finds that based on existing scientific evidence there are no appreciable risks if proper use conditions are followed or that risks are outweighed by the benefits. The degree of risk depends upon the degree of exposure, so exposure should be minimized.

If within twenty-four hours following application you experience symptoms similar to common seasonal illness comparable to the flu, contact your physician or poison control center and your pest control operator immediately. For additional information contact the County Health Department, County Agricultural Department and the Structural Pest Control Board, 2005 Evergreen Street, Suite 1500, Sacramento, CA. 95815-3831.

For further information contact any of the following:

Your Pest Control Operator - Lingruen Associates (415) 822-2324

For Health Questions - County Health Department (415) 554-2500

For Application Information:

San Francisco County Agricultural Commissioner	(415) 252-3830
San Mateo County Agricultural Commissioner	(650) 363-4700
Marin County Agricultural Commissioner	(415) 499-6700
Santa Clara County Agricultural Commissioner	(405) 918-4600

For Regulatory Information:

The Structural Pest Control Board (916) 561-8708
(800) 737-8188

Poison Control Center (800) 222-1222

The Pesticide or pesticides proposed to be used and the active ingredients are:

- | | | | |
|--|---|---|--|
| <input type="checkbox"/> COPPER NAPHTHENATE 20
Active ingredient 20%
Inert ingredients 80%
E.P.A. Reg. 9630-17-9639 | <input type="checkbox"/> ZYTHOR
Active ingredient:
Sulfuryl fluoride 99.3%
Inert ingredients 0.7%
E.P.A. Reg. #81824-1 | <input type="checkbox"/> TERMIDOR SC
Active ingredient:
Fipronil 80%
E.P.A. Reg. 43-901 | <input type="checkbox"/> VIKANE
Active ingredient:
Sulfuryl fluoride 99.8%
Inert ingredients 0.2%
E.P.A. Reg. #62719-4 |
| <input checked="" type="checkbox"/> TIM-BOR
Active ingredient:
Disodium Octaborate
Tetrahydrate 98%
Inert ingredients 2%
E.P.A. Reg. #1624-39
E.P.A. est. #1624-CA-1 | <input type="checkbox"/> TRI-DIE PT 230
Active ingredient:
Pyrethrins 0.6%
Piperonyl butoxide, tech. 4.8%
Silica Gel 8%
Inert ingredients 86.6%
E.P.A. Reg. #499-385
E.P.A. est. #499-MO-1 | <input type="checkbox"/> OPTIGARD ZT
INSECTICIDE
Active ingredient:
Thiamethoxam 21.6%
E.P.A. Reg. 100-1170 | <input type="checkbox"/> PREMISE
Active ingredient:
Imidacloprid 0.05%
Other ingredients 99.95%
E.P.A. Reg. #432-1391 |
| <input type="checkbox"/> CHLOROPICRIN
Active ingredient:
Chloropicrin
CAS #000076-0602 96% | | | |

Target Pest:

- | | | | |
|--|---|--|---|
| <input type="checkbox"/> Subterranean Termites | <input type="checkbox"/> Drywood Termites | <input type="checkbox"/> Dampwood Termites | <input type="checkbox"/> Wood Boring Beetle |
|--|---|--|---|

WORK AUTHORIZATIONReport #:
58164**LINGRUEN ASSOCIATES**1555 Yosemite Avenue #54
San Francisco, CA 94124
(415) 822-2324 * (415) 822-1464 FAX

ADDRESS OF PROPERTY INSPECTED

BUILDING NO.	STREET	CITY	ZIP	DATE OF INSPECTION
3647	22ND STREET	SAN FRANCISCO	94114	09/16/2011

Section: 1

3A = 150.00

3B = 850.00

5A = 300.00

Total \$ 1300.00**PLEASE RETURN PAGE 1 AND 2 OF THE WORK AUTHORIZATION****Payment Information:**

Down payment: \$130.00

Start payment: \$585.00

Progress payment:

Cost of Recommendations \$**1,300.00****Note: Damage found
in inaccessible areas
may cost extra.**

WORK AUTHORIZATION FOR PROPERTY LOCATED AT:

Report #:
58164

3647

22ND STREET

SAN FRANCISCO

94114

CUSTOMER INFORMATION

The total amount of this contract is due and payable upon completion of the work listed above unless otherwise specified. Work completed shall be guaranteed for a period of one year from date of completion. Plumbing repairs and any repairs for the moisture control are guaranteed for (90) ninety days only. Chemical application is guaranteed for one year unless otherwise specified. Painting is not included, unless otherwise specified.

Customer agrees to hold Lingruen Associates harmless for any damage which may occur to plant life, wiring, plumbing, roofs, or for the release of any mold spores which may occur during performance of this work and which is beyond the control of Lingruen Associates. Any questions concerning any health-related implications, which may be associated with the structural repairs reflected in this Work Authorization Contract, or concerning any necessary precautions to be taken prior to or during the course of such repairs, should be directed to a qualified professional before any such repairs are undertaken.

In case of non-payment, reasonable attorney's fees and costs of collection shall be paid, whether suit is filed or not. A SERVICE CHARGE OF 1-1/2 PERCENT PER MONTH WILL BE CHARGED ON ALL BALANCES OVER THIRTY (30) DAYS. THE 1-1/2 PERCENT PER MONTH EQUALS 18 PERCENT PER ANNUM ON THE UNPAID BALANCES.

NOTICE TO PROPERTY OWNERS: (Section 7018 of the California Contractors License Law, Business & Professions Code Div.3, Chap. 9) provides under the Mechanic's Lien Law any contractor, subcontractor, laborer, supplier, or other person who helps to improve your property but is not paid for his work or supplies has a right to enforce a claim against your property. This means that, after a court hearing, your property could be sold by the court officer and the proceeds of the sale used to satisfy the indebtedness. This can happen even if you have paid your own contractor in full. If the subcontractor, laborer, or supplier remains unpaid.

To preserve their right to file a claim or lien against your property, certain claimants such as subcontractors or material suppliers are required to provide you with a document entitled "Preliminary Notice". Prime contractors and laborers for wages do not have to provide this notice. A Preliminary Notice is not a lien against your property. Its purpose is to notify you of persons who may have a right to file a lien against your property if they are not paid.

The minimum contract amount agreed to by Lingruen Associates is \$300.00 (Three hundred dollars). Price valid for 30 days.

Cancellation of this contract within 15 days of the scheduled start date will result in a penalty of 10% of the down payment plus actual costs incurred by Lingruen Associates i.e. permit fees, supplies purchased for job, etc.

PARTY RESPONSIBLE FOR PAYMENT:

Name: _____ Ph. #: _____
Day Time Evening Time

Billing Address: _____
If different than job address

Email Address: _____ Cell Ph. #: _____

ACCESS INFORMATION (Please complete this section so job can be scheduled):

Name: _____ Address: _____

Day Phone #: _____ Evening Phone #: _____ Cell Ph. #: _____

I have read this contract and the termite report it refers to and I authorize the following items to be performed.

(List items from Page 1 of the Work Authorization that you wish to have performed)

SIGNED WORK AUTHORIZATION CONTRACT MUST BE RECEIVED BEFORE WORK WILL BE SCHEDULED.

I have read and understand the terms of this work authorization contract and hereby agree to all terms thereof.

APPROVED AND READ

DATE

APPROVED AND READ BY
LINGRUEN ASSOCIATES

DATE

NOE VALLEY VIEW HOME
 3647 22nd Street @ Sanchez



- 3 Bedrooms/2 Full Bathrooms
- Spacious Eat-In Kitchen
- Charming South-Facing Garden
- Lovely Views of Noe Valley & Downtown
- Gas Fireplace in Living Room
- 1 Bedroom/1 Bath In-Law Apartment
- 2-Car Tandem Garage
- Plenty of Storage

Offered at \$1,595,000



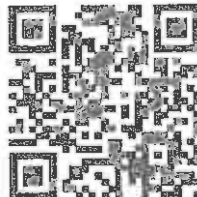
This updated home is a classic Victorian located in Noe Valley at the top of 22nd Street. The home has many desirable elements of a San Francisco Victorian, such as period molding, softwood floors and high ceilings. Features include a living room with a gas fireplace, a formal dining room, a spacious kitchen, three bedrooms, two full bathrooms, a south-facing garden, and a two-car garage. There are beautiful hillside views from the upper level. The home has a spacious eat-in kitchen with stainless steel appliances. There is also a one bedroom, one bath in-law apartment with a separate entrance. This home is just a short walk to the shops and restaurants of 24th Street.



Ruth Dawson
 DRE #01365065
 415.672.0532
 rdawson@paragon-re.com

Please visit:

www.FabNoeHome.com



Bob Wheeler
 DRE #01370836

415.990.4530

Pages bob@bobwheelerhomes.com

Received, Read and Underst

Date: _____

Sig: _____

Sig: _____



Levi Plaza - Van Ness Avenue



PARAGON
 REAL ESTATE GROUP

www.paragon-re.com



Report of Residential Building Record (3R)
 (Housing Code Section 351(a))

BEWARE: This report describes the current legal use of this property as compiled from records of City Departments. There has been no physical examination of the property itself. This record contains no history of any plumbing or electrical permits. The report makes no representation that the property is in compliance with the law. Any occupancy or use of the property other than that listed as authorized in this report may be illegal and subject to removal or abatement, and should be reviewed with the Planning Department and the Department of Building Inspection. Errors or omissions in this report shall not bind or stop the City from enforcing any and all building and zoning codes against the seller, buyer and any subsequent owner. The preparation or delivery of this report shall not impose any liability on the City for any errors or omissions contained in said report, nor shall the City bear any liability not otherwise imposed by law.

Address of Building **3647 22ND ST**

Block **3627**

Lot **045**

Other Addresses

1. A. Present authorized Occupancy or use: UNKNOWN
- B. Is this building classified as a residential condominium? Yes No
- C. Does this building contain any Residential Hotel Guest Rooms as defined in Chap. 41, S.F. Admin. Code? Yes No
2. Zoning district in which located: RH-2
3. Building Code Occupancy Classification:
4. Do Records of the Planning Department reveal an expiration date for any non-conforming use of this property? Yes No
 If Yes, what date? The zoning for this property may have changed. Call Planning Department, (415) 558-6377, for the current status.
5. Building Construction Date (Completed Date): UNKNOWN
6. Original Occupancy or Use: UNKNOWN
7. Construction, conversion or alteration permits issued, if any:

Application #	Permit #	Issue Date	Type of Work Done	Status
337181	301376	Nov 28, 1966	MAKE TERMITE REPAIRS AS PER TERMINIX REPORT	C
9707043	819683	Apr 18, 1997	REPAIR DRY ROT AT LEFT AND REAR FOUNDATION, FRONT STEPS, SIDE DECK, CORNER TRIM, HEATER ENCLOSURE AND DOOR JAMBS PER LINGRUEN REPORT.	C
9716849	830630	Aug 29, 1997	REPLACE ROOFING AT FRONT PORTION OF HOUSE WITH CLASS "A" COMPOSITION SHINGLES. INSTALL 1/2" CDX PLYWOOD SHEATHING. REPLACE EXISTING FIRST FLOOR BATH FIXTURES. REMOVE FIRST FLOOR LAUNDRY CLOSET AT BREAKFAST ROOM. INCREASE WIDTH OF EXISTING STAIR. CONSTRUCT NEW PARTITION WALLS.	X
9724208	838607	Dec 02, 1997	RE-ROOFING	C
200208123717	975926	Sep 09, 2002	CONVERT EXISTING CRAWLSPACE INTO GARAGE	C
200908195120	1193138	Aug 26, 2009	CONSTRUCT AND REPAIR THE FOUNDATION; NEW LOWERED SOG AT REAR OF LOWEST LEVEL.	C

8. A. Is there an active Franchise Tax Board Referral on file? Yes No
- B. Is this property currently under abatement proceedings for code violations? Yes No
9. Number of residential structures on property? 1
10. A. Has an energy inspection been completed? Yes No
- B. If yes, has a proof of compliance been issued? Yes No

Pages 1 thru 4
 Received, Read and Understood
 Date: _____
 Sig: _____
 Sig: _____

Department of Building Inspection
1660 Mission Street - San Francisco CA 94103 - (415) 558-6080
Report of Residential Record (3R)

Page 2

Address of Building 3647 22ND ST

Block 3627

Lot 045

Other Addressés

Date of Issuance: 20 SEP 2011

Date of Expiration: 20 SEP 2012

By: WENDY HAMILTON

Report No: 201109095771

Patty Herrera, Manager, Records Management Division



Pamela J. Levin, Deputy Director
Department of Building Inspection

THIS REPORT IS VALID FOR ONE YEAR ONLY.

The law requires that, prior to the consummation of the sale or exchange of this property, the seller must deliver this report to the buyer and the buyer must sign it.

(For Explanation of terminology, see attached)



**REPORT OF RESIDENTIAL BUILDING RECORD (3R REPORT)
NOTICE TO THE APPLICANT – UNKNOWN/DISPUTED OCCUPANCY**

Please be aware that San Francisco is a relatively old city which has been through a history of more than 150 years involving the construction and improvement of property. Many factors affect the availability of building records, including the loss of all construction and permit documents during the great earthquake and fire of 1906.

If your 3R report indicates "UNKNOWN" present authorized occupancy or use, please be aware that this 3R report was prepared based on building permit history with the Department of Building Inspection. Your 3R Report indicates "UNKNOWN" occupancy for one or more of the following reasons:

- There is no new construction permit on record or we were unable to locate a new construction permit for this property.
- There is no Certificate of Final Completion (CFC) establishing the occupancy of the building.
- Building permit history shows a discrepancy in the number of dwelling units.
- No permit history found on this property.
- Other _____

Applicants concerned about the UNKNOWN present authorized occupancy or use of a residential building, may follow the procedures outlined below to correct or update the 3R Report.

Submit the two following documents for review and possible determination of the legal occupancy of the building. These documents may be faxed to (415) 558-6402, attention Wendy Hamilton, or mailed to the Department of Building Inspection, Records Management Division, attention Wendy Hamilton, 1660 Mission Street, San Francisco, CA 94103.

- A copy of the "handwritten / oldest" Building Property Card from the Assessor's Office. This document is available only to the property owner; any other person requesting this document must obtain prior authorization from the owner. The Assessor's Office is located at City Hall, Room 190, (415) 554-5596.
- A copy of the Water Department's record when service was first turned on at the property, or the "oldest handwritten" record. The Water Department is located at 1155 Market Street, San Francisco (415) 551-2900. There is no fee for getting the copies.

Once both records are received, Records Management Division staff will prepare a summary of findings for review by a Chief or Senior Building Inspector in the Building Inspection Division. After review, the Chief / Senior Building Inspector may make a determination of the legal authorized occupancy or use of the building if all documents indicate the same number of dwelling units (including information from Sanborn map, DBI's block map and DBI's address verification information gathered by DBI staff).

If there is still a discrepancy on the number of units, a building permit application "to correct the record" and/or establish the current occupancy/use of the building will be required. This process may also require establishing the correct address(es) for the property.

Please note if the 3R UNKNOWN occupancy is based on the addition or deletion of a unit, Planning Department involvement may be necessary prior to establishing the occupancy.

If you have any questions, please call (415) 558-6080.

Records Management Division
1660 Mission Street, 4th Floor – San Francisco CA 94103
Office (415) 558-6080 - FAX (415) 558-6402 - www.sfdbi.org

EXPLANATION OF TERMS USED IN REPORT OF RESIDENTIAL RECORDS (3R REPORT)

Residential Building: A residential building is a building or a portion thereof containing one or more dwelling units but not including hotels containing 30 or more guest rooms, or motels.

1A. Present Authorized Occupancy or Use: Number of units presently found to be legal based on the building permits on file. If the Department is unable to establish the authorized occupancy of the building based on permits on file "UNKNOWN" will be indicated.

1B. Condominiums: Refers to the type of ownership of the building.

1C. Residential Hotel Guest Rooms: Certain hotels are regulated as to use and occupancy if they contain Residential Guest Rooms. Call Housing Inspection Services at 558-6220 for information.

2. Zoning District: The main uses of property permitted by the Planning Code in each zoning district are as follows:

P	(Public Use) district
RH-1(D)	(House, One-Family, Detached Dwellings) district
RH-1	(House, One-Family) district
RH-1(S)	(House, One-Family with Minor Second Unit) district
RH-2	(House, Two-Family) district
RH-3	(House, Three-Family) district
RM-1	(Mixed Residential, Low Density) district
RM-2	(Mixed Residential, Moderate Density) district
RM-3	(Mixed Residential, Medium Density) district
RM-4	(Mixed Residential, High Density) district
RC-1	(Residential-Commercial Combined, Low Density) district
RC-2	(Residential-Commercial Combined, Moderate Density) district
RC-3	(Residential-Commercial Combined, Medium Density) district
RC-4	(Residential-Commercial Combined, High Density) district
C-1	(Neighborhood Shopping) district
C-2	(Community Business) district
C-3-0	(Downtown Office) district
C-3-R	(Downtown Retail) district
C-3-G	(Downtown General Commercial) district
C-3-S	(Downtown Support) district
C-M	(Heavy-Commercial) district
M-1	(Light Industrial) district
M-2	(Heavy Industrial) district
NC-1	(Neighborhood Commercial Cluster) district
NC-2	(Small-Scale Neighborhood Commercial) district
NC-3	(Moderate-Scale Neighborhood Commercial) district
NC-5	(Neighborhood Commercial Shopping Center) district
Chinatown Mixed Used Districts	
CCB	(Chinatown Community Business) district
(CR/NC	(Chinatown Residential/Neighborhood Commercial) district
CRV	(Chinatown Visitor Retail) district
South of Market Mixed Use Districts	
MUR	Mixed Use Residential district
RED	(Residential Enclave) district
SPD	(South Park) district
RSD	(Residential Service) district
SLR	(Service/Light Industrial/Residential) district
SLI	(Service/Light Industrial) district
SSO	(Service/Secondary Office) district
Mission Bay Districts	
MB-R-1	(Mission Bay Lower Density Residential) district
MB-R-2	(Mission Bay moderate Density Residential) district
MB-R-3	(Mission Bay High Density Residential) district
MB-NC-2	(Mission Bay Small Scale Neighborhood Commercial) district
MB-NC-3	(Mission Bay Moderate Scale Neighborhood Commercial) district
MB-NC-S	(Mission Bay Neighborhood Commercial Shopping Center) district
MB-O	(Mission Bay Office) district
MB-CI	(Mission Bay Commercial-Industrial) district
MB-H	(Mission Bay Hotel) district
MB-CF	(Mission Bay Community Facilities) district
MB-OS	(Mission Bay Open Space) district

All buildings are subject to certain standards concerning dwelling unit density, lot coverage, off street parking, building height and bulk, etc., which vary according to zoning district. Call the Planning Department at 558-6377 or go to their website at <http://www.sf-planning.org/> for additional information.

- 3. Building Code Occupancy Classification:** Present classification of building in accordance with Building Code reference.
- | | |
|-----------|--|
| Class I | Institutional |
| Class B | Business |
| Class R-1 | Residential – Transient Hotels & Motels |
| Class R-2 | Residential – Apartments and Condominiums with 3 or more units, Residential Hotels |
| Class R-3 | 1 or 2 family dwellings, including housekeeping rooms |
- 4. Non-conforming Use:** When a use is located in a district preceding the one for which the use is first listed above, this may indicate illegal status or legal non-conforming status. Any date at which legal non-conforming status is scheduled to expire will be stated on the face of this report. You are advised to inquire in these cases and in any other questionable cases at the Zoning Division of the Planning Department at 558-6377.

5. Building Construction Date: The year the building was constructed.

6. Original Occupancy or Use: The number of residential unit(s) when the building was constructed.

7. Permit Application: This section shows all issued building permit applications for this property, the permit number, the date issued and the description of work. Status: It indicates the status of the permit application:

C – the work was completed;

I – permit has been issued;

N – no job card found;

X – the permit expired (work not started or not completed);.

8A. Franchise Tax Board Referral: The City will advise the State Franchise Tax Board to deny all deductions being claimed on income property by an owner, when that owner fails to comply in a timely manner with a notice(s) of violation issued by the Department of Building Inspection. For additional information please call Housing Inspection Services at 558-6220.

8B. Abatement Proceedings: The legal action taken to have a property brought into code compliance. This includes holding hearings, recording orders of abatement against the property, and City Attorney action.

The City may also perform the work and place a lien against the property. Call Housing Inspection Services at 558-6220 or Code Enforcement at 558-6454 for additional information.

9. Number of residential structures on property: The number of legal residential structures on one lot.

10. Energy Conservation Ordinance: Compliance with this ordinance is required before an owner sells a property. Questions should be directed to Housing Inspection Services at 558-6220.



CHICAGO TITLE COMPANY

PRELIMINARY REPORT

In response to the application for a policy of title insurance referenced herein, Chicago Title Company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a policy or policies of title insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an exception herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions of said policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

The policy(s) of title insurance to be issued hereunder will be policy(s) of Chicago Title Insurance Company, a Nebraska corporation.

Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects and encumbrances affecting title to the land.

Morris Evans
Countersigned



Chicago Title Company

BY

Robert J. ...
President

ATTEST

[Signature]
Secretary

Pages 1 thru 1
Received, Read and Understood
Date: _____
Sig: _____
Sig: _____

Visit Us on our Website: www.ctic.com



Chicago Title Company

ISSUING OFFICE: 2150 John Glenn Drive, Suite 300 • Concord, CA 94520

FOR SETTLEMENT INQUIRIES, CONTACT: Chicago Title Company - San Francisco Upper Market Street
1929 Market Street • San Francisco, CA 94103
415 252-2757 • FAX 415 865-2696

PRELIMINARY REPORT

Title Officer: Richard McKillips
Escrow Officer: Charles Richards
Escrow No.: 11-36511807-CR

Title No.: 11-36511807-RM
Locate No.: CACTI7738-7738-2365-0036511807

TO: Paragon Real Estate
1160 Battery Street
San Francisco, CA 94111

ATTN: Bob Wheeler

PROPERTY ADDRESS: 3647 - 22nd Street, San Francisco, California

EFFECTIVE DATE: August 22, 2011, 07:30 A.M.

The form of policy or policies of title insurance contemplated by this report is:

ALTA Homeowner's Policy of Title Insurance (2/3/10)
ALTA Loan Policy (6/17/06)

1. THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

A Fee

2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN:

Yosef Peretz and Mardah Chami, husband and wife as community property with right of survivorship

3. THE LAND REFERRED TO IN THIS REPORT IS DESCRIBED AS FOLLOWS:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

RC\RC 09/14/2011

Pages 1 thru 21

Received, Read and Understood

Date: _____

Sig: _____

Sig: _____

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SAN FRANCISCO, COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

Parcel One:

Beginning at a point on the Southerly line of 22nd Street, distant thereon 100 feet Easterly from the Easterly line of Sanchez Street; running thence Easterly along said line of 22nd Street 25 feet; thence at a right angle Southerly 100 feet; thence at a right angle Westerly 21 feet, 6 inches; thence at a right angle Southerly 28 feet; thence at a right angle Westerly 3 feet 6 inches; thence at a right angle Northerly 128 feet to the point of the beginning.

Being a portion of Horner's Addition Block No. 84.

Parcel Two:

Beginning at a point perpendicularly distant 142 feet Westerly from the Westerly line of Vicksburg Street and perpendicularly distant 100 feet Southerly from the Southerly line of 22nd Street; running thence Westerly parallel with the Southerly line of 22nd Street 4 feet 6 inches; thence at a right angle Southerly 28 feet, thence at a right angle Easterly 4 feet 6 inches; thence at a right angle Northerly 28 feet to the point of beginning.

Being a portion of Horner's Addition Block No. 84.

APN: Lot 45, Block 3627

AT THE DATE HEREOF, ITEMS TO BE CONSIDERED AND EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:

1. **Property taxes**, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2011-2012.

2. **The herein described property** lies within the boundaries of a Mello-Roos Community Facilities District ("CFD"), as follows:

CFD No: 90-1
For: School Facility Repair and Maintenance

This property, along with all other parcels in the CFD, is liable for an annual special tax. This special tax is included with and payable with the general property taxes of the City and County of San Francisco. The tax may not be prepaid.

Further information may be obtained by contacting:

Chief Financial Officer
San Francisco Unified School District
135 Van Ness Ave. -- Room 300
San Francisco, CA 94102
Phone (415) 241-6542

3. **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.

4. **Conditions and restrictions** as set forth in a document recorded by the City and County of San Francisco, Department of Public Works.

Type of Permit: Minor Sidewalk Encroachment
Recorded: November 12, 2002, Instrument No. 2002-H288374-00, Book I-262, Page 364, of Official Records

Reference is made to said document for full particulars.

5. **A deed of trust** to secure an indebtedness in the amount shown below, and any other obligations secured thereby

Amount: \$422,152.00
Dated: September 14, 2007
Trustor: Yosef Peretz and Mardah Chami, husband and wife as community property with right of survivorship
Trustee: American Securities Company
Beneficiary: Wells Fargo Bank, N.A.
Loan No.: 20072019300004
Recorded: October 11, 2007, Instrument No. 2007-472757, of Official Records

ITEMS: (continued)

Title No. 11-36511807-RM
Locate No. CACTI7738-7738-2365-0036511807

Note: The Deed of Trust set forth above is purported to be a "Credit Line" Deed of Trust. It is a requirement that the Trustor of said Deed of Trust provide written authorization to close said credit line account to the Lender when the Deed of Trust is being paid through the Company or other Settlement/Escrow Agent.

An agreement to modify the terms and provisions of said deed of trust as therein provided

Executed by: Wells Fargo Bank, N.A. and Yosef Peretz and Mardah Chami
Recorded: February 26, 2010, Instrument No. 2010-1932577, Book K88, Page 525, of Official Records

An agreement which states that this instrument was subordinated to the document or interest described in the instrument

Recorded: December 29, 2010, Instrument No. 2010-J108813, Book K300, Page 33, of Official Records

By agreement

Recorded: December 29, 2010, Instrument No. 2010-J108812, Book K300, Page 32, of Official Records

6. A deed of trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby

Amount: \$722,000.00
Dated: December 21, 2010
Trustor: Yosef Peretz and Mardah Chami, husband and wife
Trustee: Fidelity National Title Insurance Company
Beneficiary: Wells Fargo Bank, N.A.
Loan No.:
Recorded: December 29, 2010, Instrument No. 2010-108813, of Official Records

END OF ITEMS

Note 1. The current owner does NOT qualify for the \$20.00 discount pursuant to the coordinated stipulated judgments entered in actions filed by both the Attorney General and private class action plaintiffs for the herein described property.

Note 2. There is no recorded Certificate of Energy and/or Water Compliance for the property described herein.

Note 3. The name(s) of the buyer(s) furnished with this application for Title Insurance is/are:

to follow

If these names are incorrect, incomplete or misspelled, please notify the Company.

- Note 4.** Property taxes for the fiscal year shown below are PAID. For proration purposes the amounts are:
- | | |
|-------------------------|--------------------|
| Tax Identification No.: | Lot 45, Block 3627 |
| Fiscal Year: | 2010 - 2011 |
| 1st Installment: | \$7,702.38 |
| 2nd Installment: | \$7,702.38 |
| Exemption: | 7,000.00 |
| Land: | \$786,000.00 |
| Improvements: | \$524,000.00 |
| Bill No.: | 121570 |
- Note 5.** The Company is not aware of any matters which would cause it to decline to attach the CLTA Endorsement Form 116 indicating that there is located on said land Single Family Dwelling known as 3647 - 22nd Street, San Francisco , CA to an Extended Coverage Loan Policy.
- Note 6.** There are NO deeds affecting said land, recorded within twenty-four (24) months of the date of this report.
- Note 7.** Effective December 17, 2010, as mandated through local ordinance, the transfer tax rates are as follows:
- More than \$100 but Less than or Equal to \$250,000 at \$2.50 for each \$500 (\$5.00 per thousand)
 More than \$250,000 but Less than \$1,000,000 at \$3.40 for each \$500 (\$6.80 per thousand)
 \$1,000,000 or More but Less than \$5,000,000 at \$3.75 for each \$500 (\$7.50 per thousand)
 \$5,000,000 or More but Less than \$10,000,000 at \$10.00 for each \$500 (\$20.00 per thousand)
 \$10,000,000.00 or More at \$12.50 for each \$500 or portion thereof (\$25.00 per thousand)
- NOTE: These rates are for documents recorded on or after December 17, 2010, regardless of when the instrument was executed.
- Note 8.** The application for title insurance was placed by reference to only a street address or tax identification number.
- Based on our records, we believe that the description in this report covers the parcel requested, however, if the legal description is incorrect a new report must be prepared.
- If the legal description is incorrect, in order to prevent delays, the seller/buyer/borrower must provide the Company and/or the settlement agent with the correct legal description intended to be the subject of this transaction.
- Note 9.** If a county recorder, title insurance company, escrow company, real estate broker, real estate agent or association provides a copy of a declaration, governing document or deed to any person, California law requires that the document provided shall include a statement regarding any unlawful restrictions. Said statement is to be in at least 14-point bold face type and may be stamped on the first page of any document provided or included as a cover page attached to the requested document. Should a party to this transaction request a copy of any document reported herein that fits this category, the statement is to be included in the manner described.

NOTES: (continued)

Title No. **11-36511807-RM**
Locate No. CACTI7738-7738-2365-0036511807

Note 10. Wiring instructions for Chicago Title Company, San Francisco, CA, are as follows:

Receiving Bank:	Bank of America 275 Valencia Blvd, 2nd Floor Brea, CA 92823-6340
ABA Routing No.:	026009593
Credit Account Name:	Chicago Title Company - San Francisco Upper Market Street 1929 Market Street, San Francisco, CA 94103
Credit Account No.:	12354-82420
Escrow No.:	11- 36511807 -CR

These wiring instructions are for this specific transaction involving the Title Department of the Concord office of Chicago Title Company. These instructions therefore should not be used in other transactions without first verifying the information with our accounting department. It is imperative that the wire text be exactly as indicated. Any extraneous information may cause unnecessary delays in confirming the receipt of funds.

Note 11. Any documents being executed in conjunction with this transaction must be signed in the presence of an authorized Company employee, an authorized employee of an agent, an authorized employee of the insured lender, or by using Bancserv or other approved third-party service. If the above requirements cannot be met, please call the company at the number provided in this report.

END OF NOTES

LOTS MERGED
 LOT 45 INTO LOT 5 - 1943
 - 54 - - 53 -
 lot 53 into lots 55/56 for 2000 roll
 lot 24 into lots 59/60 for 2002 roll
 lot 4 into lots 61/62 for 2006 roll
 lot 31A into lots 63/64 for 2006 roll
 lot 25 into lots 55/66 for 2010 roll

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 CITY & COUNTY ASSESSOR 1995

PIQ



3627
 HORNERS ADDN. BLK. 84

REVISED '64
 '75
 '84
 '96
 Revised 2000
 Revised 2002
 Revised 2006
 Revised 2010

249-951 SANCHEZ ST.
 A CONDOMINIUM

LOT	UNIT	% COMM. AREA
63	1	50
64	2	50

12-12A VICKSBURG ST.
 A CONDOMINIUM

LOT	UNIT	% COMM. AREA
61	12	60
62	12A	40

3882-3884 23RD ST.
 A CONDOMINIUM

LOT	UNIT	% COMM. AREA
59	3882	45.00
60	3884	54.00

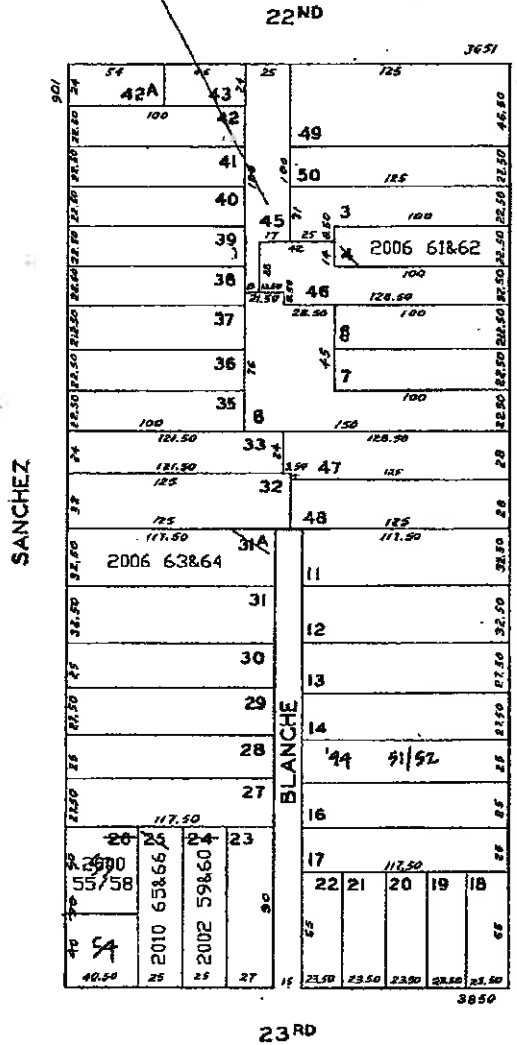
VICKSBURG

76-78 VICKSBURG ST.
 A CONDOMINIUM

LOT	UNIT	% COMM. AREA
91	76	51.99
92	78	48.01

979-981-983-985 Sanchez St.
 A CONDOMINIUM

LOT	UNIT	% COMM. AREA
55	979	27
56	981	23
57	983	23
58	985	27



THIS PLAT IS FOR YOUR AID IN LOCATING YOUR LAND WITH REFERENCE TO STREET AND OTHER PARCELS. WHILE THIS PLAT IS BELIEVED TO BE CORRECT, THE COMPANY ASSUMES NO LIABILITY FOR ANY LOSS OCCURRING BY REASON OF RELIANCE THEREON.

ATTACHMENT ONE

AMERICAN LAND TITLE ASSOCIATION RESIDENTIAL TITLE INSURANCE POLICY (6-1-87) EXCLUSIONS

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
 - land use
 - improvements on the land
 - land division
 - environmental protection

This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at policy date.

This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.

2. The right to take the land by condemning it, unless:
 - a notice of exercising the right appears in the public records on the Policy Date
 - the taking happened prior to the Policy Date and is binding on you if you bought the land without knowledge of the taking

In addition to the Exclusions, you are not insured against loss, costs, attorneys' fees, and the expenses resulting from:

1. Any rights, interests, or claims of parties in possession of the land not shown by the public records.
2. Any easements or liens not shown by the public records. This does not limit the lien coverage in Item 8 of Covered Title Risks.

3. Title Risks:
 - that are created, allowed, or agreed to by you
 - that are known to you, but not to us, on the Policy Date - unless they appeared in the public records
 - that result in no loss to you
 - that first affect your title after the Policy Date - this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks
4. Failure to pay value for your title.
5. Lack of a right:
 - to any land outside the area specifically described and referred to in Item 3 of Schedule A
 - or
 - in streets, alleys, or waterways that touch your landThis exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

3. Any facts about the land which a correct survey would disclose and which are not shown by the public records. This does not limit the forced removal coverage in Item 12 of Covered Title Risks.
4. Any water rights or claims or title to water in or under the land, whether or not shown by the public records.

**ATTACHMENT ONE
(CONTINUED)**

**CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

**SCHEDULE B, PART I
EXCEPTIONS FROM COVERAGE**

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

PART I

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

**ATTACHMENT ONE
(CONTINUED)**

**FORMERLY AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (10-17-92)
WITH A.L.T.A. ENDORSEMENT-FORM 1 COVERAGE
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
(a) created, suffered, assumed or agreed to by the insured claimant;
(b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
(c) resulting in no loss or damage to the insured claimant;
(d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or

material or to the extent insurance is afforded herein as to assessments for street improvements under construction or completed at Date of Policy); or

- (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.
7. Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
 - (i) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or
 - (ii) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or
 - (iii) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (a) to timely record the instrument of transfer; or
 - (b) of such recordation to impart notice to a purchaser for value or a judgement or lien creditor.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage.

In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

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**ATTACHMENT ONE
(CONTINUED)**

**2006 AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed, or agreed to by the Insured Claimant;
(b) not known to the Company, not recorded in the Public Records at Date of Policy, but known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy,

(c) resulting in no loss or damage to the Insured Claimant;
(d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
(e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.

4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage.

In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records;
(b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

**ATTACHMENT ONE
(CONTINUED)**

**FORMERLY AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY (10-17-92)
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.

3. Defects, liens, encumbrances, adverse claims, or other matters:
(a) created, suffered, assumed or agreed to by the insured claimant;
(b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
(c) resulting in no loss or damage to the insured claimant;
(d) attaching or created subsequent to Date of Policy, or
(e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
(i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
(ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:
(a) to timely record the instrument of transfer; or
(b) of such recordation to impart notice to a purchaser for value or a judgement or lien creditor.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage.

In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

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**ATTACHMENT ONE
(CONTINUED)**

**2006 AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage.

In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

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**ATTACHMENT ONE
(CONTINUED)**

**CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (10-22-03)
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (10-22-03)
EXCLUSIONS**

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning:
 - a. building
 - b. zoning
 - c. Land use
 - d. improvements on Land
 - e. Land division
 - f. environmental protection

This Exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date.
This Exclusion does not limit the coverage described in Covered Risk 14, 15, 16, 17 or 24.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.
3. The right to take the Land by condemning it, unless:
 - a. notice of exercising the right appears in the Public Records at the Policy Date; or
 - b. the taking happened before the Policy Date and is binding on You if You bought the Land without Knowing of the taking.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they appear in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they appear in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.d, 22, 23, 24 or 25.
5. Failure to pay value for Your Title.
6. Lack of a right:
 - a. to any Land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 18.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 14, 15, 16 and 18, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 14:	1.00% of Policy Amount or \$ 2,500.00 (whichever is less)	\$ 10,000.00
Covered Risk 15:	1.00% of Policy Amount or \$ 5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 16:	1.00% of Policy Amount or \$ 5,000.00 (whichever is less)	\$ 25,000.00
Covered-Risk 18:	1.00% of Policy Amount or \$ 2,500.00 (whichever is less)	\$ 5,000.00

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**ATTACHMENT ONE
(CONTINUED)**

**CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (02-03-10)
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (02-03-10)
EXCLUSIONS**

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
 - a. building;
 - b. zoning;
 - c. land use;
 - d. improvements on the Land;
 - e. land division; and
 - f. environmental protection.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right:
 - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.
7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 16, 18, 19 and 21, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16:	<u>1.00%</u> of Policy Amount Shown in Schedule A or <u>\$ 2,500.00</u> (whichever is less)	\$ <u>10,000.00</u>
Covered Risk 18:	<u>1.00%</u> of Policy Amount Shown in Schedule A or <u>\$ 5,000.00</u> (whichever is less)	\$ <u>25,000.00</u>
Covered Risk 19:	<u>1.00%</u> of Policy Amount Shown in Schedule A or <u>\$ 5,000.00</u> (whichever is less)	\$ <u>25,000.00</u>
Covered Risk 21:	<u>1.00%</u> of Policy Amount Shown in Schedule A or <u>\$ 2,500.00</u> (whichever is less)	\$ <u>5,000.00</u>

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**ATTACHMENT ONE
(CONTINUED)**

**ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (10/13/01)
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions or location of any improvements now or hereafter erected on the Land; (iii) a separation in ownership or a change in the dimensions or areas of the Land or any parcel of which the Land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the Public Records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without Knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
(a) created, suffered, assumed or agreed to by the Insured Claimant;
(b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
(c) resulting in no loss damage to the Insured Claimant;
(d) attaching or created subsequent to Date of Policy (this paragraph does not limit the coverage provided under Covered Risks 8, 16, 18, 19, 20, 21, 22, 23, 24, 25 and 26); or
(e) resulting in loss or damage which would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of the Insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the Land is situated.
5. Invalidity or unenforceability of the lien of the Insured Mortgage, or claim thereof, which arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, except as provided in Covered Risk 27, or any consumer credit protection or truth in lending law.
6. Real property taxes or assessments of any governmental authority which become a lien on the Land subsequent to Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 7, 8(e) and 26.
7. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This exclusion does not limit the coverage provided in Covered Risk 8.
8. Lack of priority of the lien of the Insured Mortgage as to each and every advance made after Date of Policy, and all interest charged thereon, over liens, encumbrances and other matters affecting the title, the existence of which are Known to the Insured at:
(a) The time of the advance; or
(b) The time a modification is made to the terms of the Insured Mortgage which changes the rate of interest charged, if the rate of interest is greater as a result of the modification than it would have been before the modification. This exclusion does not limit the coverage provided in Covered Risk 8.
9. The failure of the residential structure, or any portion thereof to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at Date of Policy.

(6)

**ATTACHMENT ONE
(CONTINUED)**

**ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (07/26/10)
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not known to the Company, not recorded in the Public Records at Date of Policy, but known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.

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Notice

You may be entitled to receive a \$20.00 discount on escrow services if you purchased, sold or refinanced residential property in California between May 19, 1995 and November 1, 2002. If you had more than one qualifying transaction, you may be entitled to multiple discounts.

If your previous transaction involved the same property that is the subject of your current transaction, you do not have to do anything; the Company will provide the discount, provided you are paying for escrow or title services in this transaction.

If your previous transaction involved property different from the property that is subject of your current transaction, you must - prior to the close of the current transaction - inform the Company of the earlier transaction, provide the address of the property involved in the previous transaction, and the date or approximate date that the escrow closed to be eligible for the discount.

Unless you inform the Company of the prior transaction on property that is not the subject of this transaction, the Company has no obligation to conduct an investigation to determine if you qualify for a discount. If you provide the Company information concerning a prior transaction, the Company is required to determine if you qualify for a discount which is subject to other terms and conditions.

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Effective through November 1, 2014

Fidelity National Financial, Inc.
Privacy Statement

Fidelity National Financial, Inc. and its subsidiaries ("FNF") respect the privacy and security of your non-public personal information ("Personal Information") and protecting your Personal Information is one of our top priorities. This Privacy Statement explains FNF's privacy practices, including how we use the Personal Information we receive from you and from other specified sources, and to whom it may be disclosed. FNF follows the privacy practices described in this Privacy Statement and, depending on the business performed, FNF companies may share information as described herein.

Personal Information Collected

We may collect Personal Information about you from the following sources:

- Information we receive from you on applications or other forms, such as your name, address, social security number, tax identification number, asset information, and income information;
- Information we receive from you through our Internet websites, such as your name, address, email address, Internet Protocol address, the website links you used to get to our websites, and your activity while using or reviewing our websites;
- Information about your transactions with or services performed by us, our affiliates, or others, such as information concerning your policy, premiums, payment history, information about your home or other real property, information from lenders and other third parties involved in such transaction, account balances, and credit card information; and
- Information we receive from consumer or other reporting agencies and publicly recorded documents.

Disclosure of Personal Information

We may provide your Personal Information (excluding information we receive from consumer or other credit reporting agencies) to various individuals and companies, as permitted by law, without obtaining your prior authorization. Such laws do not allow consumers to restrict these disclosures. Disclosures may include, without limitation, the following:

- To insurance agents, brokers, representatives, support organizations, or others to provide you with services you have requested, and to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure in connection with an insurance transaction;
- To third-party contractors or service providers for the purpose of determining your eligibility for an insurance benefit or payment and/or providing you with services you have requested;
- To an insurance regulatory authority, or a law enforcement or other governmental authority, in a civil action, in connection with a subpoena or a governmental investigation;
- To companies that perform marketing services on our behalf or to other financial institutions with which we have joint marketing agreements and/or
- To lenders, lien holders, judgment creditors, or other parties claiming an encumbrance or an interest in title whose claim or interest must be determined, settled, paid or released prior to a title or escrow closing.

We may also disclose your Personal Information to others when we believe, in good faith, that such disclosure is reasonably necessary to comply with the law or to protect the safety of our customers, employees, or property and/or to comply with a judicial proceeding, court order or legal process.

(privacy)

Page 2 of 2

Effective Date: 5/1/2008

Disclosure to Affiliated Companies - We are permitted by law to share your name, address and facts about your transaction with other FNF companies, such as insurance companies, agents, and other real estate service providers to provide you with services you have requested, for marketing or product development research, or to market products or services to you. We do not, however, disclose information we collect from consumer or credit reporting agencies with our affiliates or others without your consent, in conformity with applicable law, unless such disclosure is otherwise permitted by law.

Disclosure to Nonaffiliated Third Parties - We do not disclose Personal Information about our customers or former customers to nonaffiliated third parties, except as outlined herein or as otherwise permitted by law.

Confidentiality and Security of Personal Information

We restrict access to Personal Information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard Personal Information.

Access To Personal Information/

Requests for Correction, Amendment, or Deletion of Personal Information

As required by applicable law, we will afford you the right to access your Personal Information, under certain circumstances to find out to whom your Personal Information has been disclosed, and request correction or deletion of your Personal Information. However, FNF's current policy is to maintain customers' Personal Information for no less than your state's required record retention requirements for the purpose of handling future coverage claims.

For your protection, all requests made under this section must be in writing and must include your notarized signature to establish your identity. Where permitted by law, we may charge a reasonable fee to cover the costs incurred in responding to such requests. Please send requests to:

Chief Privacy Officer
Fidelity National Financial, Inc.
601 Riverside Avenue
Jacksonville, FL 32204

Changes to this Privacy Statement

This Privacy Statement may be amended from time to time consistent with applicable privacy laws. When we amend this Privacy Statement, we will post a notice of such changes on our website. The effective date of this Privacy Statement, as stated above, indicates the last time this Privacy Statement was revised or materially changed.

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Notice of Available Discounts

Pursuant to Section 2355.3 in Title 10 of the California Code of Regulations Fidelity National Financial, Inc. and its subsidiaries ("FNF") must deliver a notice of each discount available under our current rate filing along with the delivery of escrow instructions, a preliminary report or commitment. Please be aware that the provision of this notice does not constitute a waiver of the consumer's right to be charged the filed rate. As such, your transaction may not qualify for the below discounts.

You are encouraged to discuss the applicability of one or more of the below discounts with a Company representative. These discounts are generally described below; consult the rate manual for a full description of the terms, conditions and requirements for such discount. These discounts only apply to transactions involving services rendered by the FNF Family of Companies. This notice only applies to transactions involving property improved with a one-to-four family residential dwelling.

FNF Underwritten Title Company

CTC – Chicago Title Company

FNF Underwriter

CTIC – Chicago Title Insurance Company

Available Discounts

CREDIT FOR PRELIMINARY REPORTS AND/OR COMMITMENTS ON SUBSEQUENT POLICIES (CTIC)

Where no major change in the title has occurred since the issuance of the original report or commitment, the order may be reopened within 12 or 36 months and all or a portion of the charge previously paid for the report or commitment may be credited on a subsequent policy charge.

FEE REDUCTION SETTLEMENT PROGRAM (CTC and CTIC)

Eligible customers shall receive a \$20.00 reduction in their title and/or escrow fees charged by the Company for each eligible transaction in accordance with the terms of the Final Judgments entered in *The People of the State of California et al. v. Fidelity National Title Insurance Company et al.*, Sacramento Superior Court Case No. 99AS02793, and related cases.

DISASTER LOANS (CTIC)

The charge for a Lender's Policy (Standard or Extended coverage) covering the financing or refinancing by an owner of record, within 24 months of the date of a declaration of a disaster area by the government of the United States or the State of California on any land located in said area, which was partially or totally destroyed in the disaster, will be 50% of the appropriate title insurance rate.

CHURCHES OR CHARITABLE NON-PROFIT ORGANIZATIONS (CTIC)

On properties used as a church or for charitable purposes within the scope of the normal activities of such entities, provided said charge is normally the church's obligation the charge for an owner's policy shall be 50% or 70% of the appropriate title insurance rate, depending on the type of coverage selected. The charge for a lender's policy shall be 32% or 50% of the appropriate title insurance rate, depending on the type of coverage selected.



JCP-LGS Residential Property Disclosure Reports

For SAN FRANCISCO COUNTY

Property Address: 3647 22ND ST ,
SAN FRANCISCO, SAN FRANCISCO COUNTY, CA
("Property")

APN: 3627-045

Report Date: 09/14/2011

Report Number: 1019759

AERIAL PHOTO COVER PAGE



This map is provided for convenience only to show the approximate location of the Property and is not based on a field survey.

NOTE TO READER: *High-resolution aerial photographs are obtained through periodic surveys by low-altitude aircraft. Surveys are repeated at intervals of several years, and their coverage is limited to populated areas. On rare occasions, the air photo on this page will display a black area, or vacant land where buildings now exist. In these cases, the photo happens to be at the edge of the survey coverage area, or it shows land that has been developed since the time of the latest aerial survey. We apologize for these rare instances, which are beyond our control.*

JCP-LGS Property Disclosure Reports | MAP COVER PAGE
Natural Hazard Disclosure Report



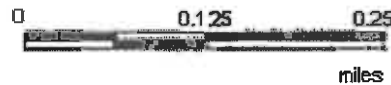
**Property Address: 3647 22ND ST ,
 SAN FRANCISCO, SAN FRANCISCO County, CA**

**APN: 3627-045
 Report Date: 09/14/2011
 Report Number: 1019759**



Subject Property

	Special Flood Hazard Area
	Area of Potential Flooding, Dam Failure
	Very High Fire Hazard Severity Zone
	Wildland Area, Substantial Forest Fire Risk
	Earthquake Fault Zone
	Seismic Hazard Zone, Landslide
	Seismic Hazard Zone, Liquefaction



This map is provided for convenience only to show the approximate location of the Property and is not based on a field survey.

This COMPREHENSIVE REPORT contains the Natural Hazard Disclosure Report and the California Property Tax Report. If you would like to also order an environmental report (EnviroCheck™ Report), please contact Customer Service at (800)748-5233

THIS REPORT PROVIDES THE STATUTORY DISCLOSURES MANDATED BY CALIFORNIA CIVIL CODE SECTION 1103.2 AND DELIVERY OF THIS REPORT AND THE EXECUTED STATUTORY FORM IS SUFFICIENT TO MEET THE SAFE HARBOR FOR THE SELLER AND SELLER'S AGENT.

THIS REPORT ALSO CONTAINS OTHER IMPORTANT DISCLOSURES AND INFORMATION. SELLER AND SELLER'S AGENT MAY HAVE ADDITIONAL RESPONSIBILITIES FOR CERTAIN DISCLOSURES WITHIN THEIR ACTUAL KNOWLEDGE.



JCP-LGS Residential Property Disclosure Reports
The Natural Hazard Disclosure Report
For SAN FRANCISCO COUNTY

Property Address: 3647 22ND ST,
 SAN FRANCISCO, SAN FRANCISCO COUNTY, CA 94114
 ("Property")

APN: 3627-045
Report Date: 09/14/2011
Report Number: 1019759

Statutory Natural Hazard Disclosure Statement

The transferor and his or her agent(s) or a third-party consultant disclose the following information with the knowledge that even though this is not a warranty, prospective transferees may rely on this information in deciding whether and on what terms to purchase the Property. Transferor hereby authorizes any agent(s) representing any principal(s) in this action to provide a copy of this statement to any person or entity in connection with any actual or anticipated sale of the Property.

The following are representations made by the transferor and his or her agent(s) based on their knowledge and maps drawn by the State. This information is a disclosure and is not intended to be part of any contract between the transferee and the transferor. THIS REAL PROPERTY LIES WITHIN THE FOLLOWING HAZARDOUS AREA(S):

A SPECIAL FLOOD HAZARD AREA (Any type Zone "A" or "V") designated by the Federal Emergency Management Agency.

Yes _____ No X Do not know and information not available from local jurisdiction _____

AN AREA OF POTENTIAL FLOODING shown on a dam failure inundation map pursuant to Section 8589.5 of the Government Code.

Yes _____ No X Do not know and information not available from local jurisdiction _____

A VERY HIGH FIRE HAZARD SEVERITY ZONE pursuant to Section 51178 or 51179 of the Government Code. The owner of this Property is subject to the maintenance requirements of Section 51182 of the Government Code.

Yes _____ No X

A WILDLAND AREA THAT MAY CONTAIN SUBSTANTIAL FOREST FIRE RISK AND HAZARDS pursuant to Section 4125 of the Public Resources Code. The owner of this Property is subject to the maintenance requirements of Section 4291 of the Public Resources Code. Additionally, it is not the state's responsibility to provide fire protection services to any building or structure located within the wildlands unless the Department of Forestry and Fire Protection has entered into a cooperative agreement with a local agency for those purposes pursuant to Section 4142 of the Public Resources Code.

Yes _____ No X

AN EARTHQUAKE FAULT ZONE pursuant to Section 2622 of the Public Resources Code.

Yes _____ No X

A SEISMIC HAZARD ZONE pursuant to Section 2696 of the Public Resources Code.

Yes (Landslide Zone) _____ Yes (Liquefaction Zone) _____

No X Map not yet released by state _____

THESE HAZARDS MAY LIMIT YOUR ABILITY TO DEVELOP THE REAL PROPERTY, TO OBTAIN INSURANCE, OR TO RECEIVE ASSISTANCE AFTER A DISASTER. THE MAPS ON WHICH THESE DISCLOSURES ARE BASED ESTIMATE WHERE NATURAL HAZARDS EXIST. THEY ARE NOT DEFINITIVE INDICATORS OF WHETHER OR NOT A PROPERTY WILL BE AFFECTED BY A NATURAL DISASTER. TRANSFEREE(S) AND TRANSFEROR(S) MAY WISH TO OBTAIN PROFESSIONAL ADVICE REGARDING THOSE HAZARDS AND OTHER HAZARDS THAT MAY AFFECT THE PROPERTY.

Signature of Seller _____ Date _____ Signature of Seller _____ Date _____

Signature of Agent Roy W. [Signature] Date 9/14/11 Signature of Agent _____ Date _____

Check only one of the following:

Transferor(s) and their agent(s) represent that the information herein is true and correct to the best of their knowledge as of the date signed by the transferor(s) and agent(s).

Transferor(s) and their agent(s) acknowledge that they have exercised good faith in the selection of a third-party report provider as required in Civil Code Section 1103.7, and that the representations made in this Natural Hazard Disclosure Statement are based upon information provided by the independent third-party disclosure provider as a substituted disclosure pursuant to Civil Code Section 1103.4. Neither transferor(s) nor their agent(s) (1) has independently verified the information contained in this statement and Report or (2) is personally aware of any errors or inaccuracies in the information contained on the statement. This statement was prepared by the provider below:

Third-Party Disclosure Provider(s) [Signature] Date 09/14/2011 Rept. No. 1019759
 Greg Rufe, Chief Operating Officer
 JCP-LGS Disclosure Reports

Transferee represents that he or she has read and understands this document. Pursuant to Civil Code Section 1103.8, the representations made in this Natural Hazard Disclosure Statement do not constitute all of the transferor's or agent's disclosure obligations in this transaction.

Signature of Buyer _____ Date _____ Signature of Buyer _____ Date _____

ADDITIONAL SIGNATURE REQUIRED: SEE "ACKNOWLEDGEMENT OF RECEIPT"- NEXT PAGE



ACKNOWLEDGEMENT OF RECEIPT

Property: 3647 22ND ST ,
 SAN FRANCISCO, SAN FRANCISCO COUNTY, CA 94114
 ("Property")

APN: 3627-045
Report Date: 09/14/2011
Report Number: 1019759

I hereby acknowledge the receipt of the following Disclosures and Advisories:

Natural Hazard Report Disclosures and Advisories

(Signature Required on the Statutory Form – See preceding page)

- | | |
|--|--|
| <ul style="list-style-type: none"> ✓ State Level Natural Hazard Disclosures (Statutory Form) ✓ Local City and County Level Natural Hazard Disclosures (where applicable) ✓ Commercial/Industrial Disclosure ✓ Military Ordnance Disclosure ✓ Airport Influence Area / Airport Noise Disclosure ✓ Database Disclosure (Megan's Law) ✓ San Francisco Bay Conservation and Development Commission Disclosure (where applicable) ✓ California Energy Efficiency Disclosure | <ul style="list-style-type: none"> ✓ Methamphetamine Contaminated Property Disclosure Advisory ✓ Mold Advisory ✓ Radon Advisory ✓ Endangered Species Act Advisory ✓ Abandoned Mines Advisory ✓ Oil & Gas Well Advisory ✓ Tsunami Map Advisory ✓ Right to Farm Disclosure |
|--|--|

California Property Tax Report Disclosures and Advisories

- ✓ Notice of Special Tax and Assessment (Mello-Roos and 1915 Bond Act)
- ✓ Notice of Supplemental Property Tax Bill
- ✓ Private Transfer Fee Disclosure Advisory

Transferor (Seller)	Date	Transferor (Seller)	Date
Transferee (Buyer)	Date	Transferee (Buyer)	Date
Agent	9/14/11 Date	Agent	Date



JCP-LGS Residential Property Disclosure Reports
The Natural Hazard Disclosure Report
For SAN FRANCISCO COUNTY

Property Address: 3647 22ND ST ,
SAN FRANCISCO, SAN FRANCISCO COUNTY, CA 94114
("Property")

APN: 3627-045
Report Date: 09/14/2011
Report Number: 1019759

Summary Declaration of Liability Provisions

JCP-LGS Reports Natural Hazard Disclosures ("JCP-LGS" or "The Company"), a division of First American Natural Hazard Disclosures LLC and a member of The First American Family of Companies, hereby declares that Recipients of a natural hazard disclosure report issued by a Member Company ("Report") pursuant to California Civil Code §1103 *et seq.* for a transaction are provided the following assurances and protections.

Recipients

- Buyers, Sellers and their respective real estate agents and brokers involved in the sale of the Property for which the Report was issued.

Member Companies

- First American Natural Hazard Disclosures, LLC.
- JCP-LGS Disclosures.com

Protections

All Recipients of a Report shall enjoy the following assurances and protections if their Report contains an error which results in damages as defined in the Report ("Error") upon proper tender of the claim:

- (1) JCP-LGS will resolve the claim promptly and in good faith.
- (2) JCP-LGS will defend a Recipient against legal action brought against that Recipient as a result of the Error or otherwise resolve the Error without economic loss to the Recipient.
- (3) Recipients will enjoy the benefits of amounts received by JCP-LGS from its errors and omissions ("E&O") insurance carrier as a result of the Error.
- (4) To the extent that economic loss resulting from the Error is not paid by the E&O insurance proceeds, JCP-LGS shall be liable for any remaining loss.

Recipients are entitled to rely on the provisions of the Report as of the close of escrow for the transaction for which said Report was issued.

By: JCP-LGS Disclosure Reports

Greg Rufe, Chief Operating Officer

Date: 09/14/2011

THIS IS A PUBLIC RECORD REPORT ONLY: This Report only provides information concerning the Property derived from the Public Records identified in this Report. While JCP-LGS has made good faith efforts to report from the Public Records as accurately as possible, the quality, accuracy, and currency of the information contained in these Public Records can vary greatly. For more information regarding a specific disclosure and the related Public Record, please read Sections 1 through 3, inclusive, of this Report.

NOT AN INSPECTION REPORT: This Report is not the same thing as a physical inspection report nor a full environmental or geological assessment report. JCP-LGS has not physically inspected the Property. This Report only summarizes the information from the specified Public Records.

LIABILITY PROTECTIONS: Upon consummation of the sale of the Property to Buyer ("Sale Date"), the Parties in the sale are protected against loss caused by any error in this Report as specified in the section below entitled "Methods and Limitations."

NOT AN INSURANCE POLICY: This Report is a binding contract but is not an insurance policy. The price charged for the Report does not cover the costs that would be necessary to provide all of the protections of an insurance policy.



JCP-LGS Residential Property Disclosure Reports
The Natural Hazard Disclosure Report
For SAN FRANCISCO COUNTY

Property Address: 3647 22ND ST ,
 SAN FRANCISCO, SAN FRANCISCO COUNTY, CA 94114
 ("Property")

APN: 3627-045
Report Date: 09/14/2011
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NATURAL HAZARD DISCLOSURE REPORT
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This Report includes the sections as identified in this Table of Contents and is not complete if any one of these components is missing. Additional information may also be included in the form of addendums which are provided as an accommodation and are not an official part of this Report.

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SUMMARY OF NATURAL HAZARD DISCLOSURES

*Map N/A: Map not available, and/or not officially adopted by the jurisdiction, and/or not of sufficient scale from which to make parcel specific determinations.

STATE LEVEL DETERMINATIONS

IN	NOT IN	MAP N/A	Hazards	The Property is	Refer to page
	✓		Flood	NOT IN a Special Flood Hazard Area. The Property is IN a FEMA-designated Flood Zone N.	8
	✓		Dam	NOT IN an area of potential dam inundation	8
	✓		Very High Fire Hazard Severity	NOT IN a very high fire hazard severity zone.	9
	✓		Wildland Fire Area	NOT IN a state responsibility area	9
	✓		Fault	NOT IN an earthquake fault zone designated pursuant to the Alquist-Priolo Act.	10
	✓		Landslide	NOT IN an area of earthquake-induced landsliding designated pursuant to the Seismic Hazard Mapping Act.	10
	✓		Liquefaction	NOT IN an area of potential liquefaction designated pursuant to the Seismic Hazard Mapping Act.	10

COUNTY LEVEL DETERMINATIONS

IN	NOT IN	MAP N/A	Hazards	The Property is	Refer to page
	✓		Fault	NOT WITHIN 100 feet of a fault trace	12
✓			Landslide	IN a potential landslide area	12
	✓		Liquefaction	NOT IN an area of potential liquefaction	12
	✓		Subsidence	NOT IN a subsidence area	12
	✓		Tsunami	NOT IN a tsunami inundation area	12
✓			Ground Shaking	IN Groundshaking Zone E-Weak	12
	✓		Dam Inundation	NOT IN a dam inundation area	12

CITY LEVEL DETERMINATIONS

The jurisdiction in which the Property is located is either in an unincorporated area or does not have officially adopted mapped information available at this time from which a geologic determination can be made.



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SUMMARY OF ADDITIONAL PROPERTY SPECIFIC DISCLOSURES

IN	NOT IN	MAP N/A	Hazards	The Property is	Refer to page
	✓		Former Military Ordnance	NOT WITHIN one mile of a formerly used ordnance site.	15
✓			Commercial or Industrial	WITHIN one mile of a property zoned to allow commercial or industrial use	15
	✓		Airport Influence Area	NOT IN an airport influence area.	16
	✓		Airport Noise Area for 65 Decibel	NOT IN a delineated 65 dB CNEL or greater aviation noise zone.	17
	✓		Bay Conservation and Development Commission	NOT IN an area that is within the jurisdiction of the San Francisco Bay Conservation and Development Commission.	18
	✓		California Energy Commission	NOT IN a climate zone where properties are usually subject to duct sealing and testing requirements.	19
	✓		Right to Farm Act	NOT IN a one mile radius of designated Important Farmland.	20



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SUMMARY OF ADVISORIES AND ADDENDA

ADVISORIES

Advisory	Advisory Notation	Refer to page
Registered Sex Offender Data Base (Megan Law)	Provides an advisory required pursuant to Section 290.46 of the Penal Code. Information about specified registered sex offenders is made available to the public. Please refer to State required notification on page referenced herein.	21
Methamphetamine Contamination	Provides an advisory that a disclosure may be required pursuant to the "Methamphetamine Contaminated Property Cleanup Act of 2005"	22
Mold	Provides an advisory that all prospective purchasers of residential and commercial property should thoroughly inspect the subject property for mold and sources for additional information on the origins of and the damage caused by mold.	22
Radon	Provides an advisory on the risk associated with Radon gas concentrations	23
Endangered Species	Provides an advisory on resources to educate the public on locales of endangered or threatened species.	24
Abandoned Mines	Provides an advisory on resources to educate the public on the hazards posed by and some of the general locales of abandoned mines	25
Oil and Gas Wells	Provides an advisory on the potential existence of oil and gas wells and sources for additional general and/or specific information.	25
Tsunami Map Advisory	Provides an advisory about maximum tsunami inundation maps issued for jurisdictional emergency planning	26



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STATUTORY NATURAL HAZARD DISCLOSURE EXPLANATIONS

The statutory Natural Hazard Disclosure Statement on page one of this report does not provide for informing purchasers if the property is only partially within any of the delineated zones or provide additional flood zone information which could be very important to the disclosure process. The following summary is meant to give buyers the additional information they may need to help them in the decision making process and to place the information in perspective.

SPECIAL FLOOD HAZARD AREA

DISCUSSION: Property in a Special Flood Hazard Area (any type of Zone "A" or "V" as designated by the Federal Emergency Management Agency ("FEMA")) is subject to flooding in a "100-year rainstorm." Federally connected lenders are required to have homeowners maintain flood insurance in these zones. A 100-year flood occurs on average once every 100 years, but may not occur in 1,000 years or may occur in successive years. According to FEMA, a home located within a SFHA has a 26% chance of suffering flood damage during the term of a 30-year mortgage. Other types of flooding, such as dam failure, are not considered in developing these zones. In some cases, the insurance requirement may be waived or modified by obtaining a Letter of Map Revision ("LOMR") or Letter of Map Amendment ("LOMA") from the FEMA. This might be possible where flooding is shallow and fill was placed on the site, appropriate flood control measures were taken, or only the lot and no part of the structure is in the zone. Contact FEMA directly for more information. Flood insurance for properties in Zones B, C, D, X, X500, and X500_Levee is available but is not required.

Zones A, AO, AE, AH, AR, A1-A30: Area of "100-year" flooding - a 1% or greater chance of annual flooding.

Zones V, V1-V30: Area of "100-year" flooding in coastal (shore front) areas subject to wave action.

Zone B: Area of moderate flood risk. These are areas between the "100" and "500" year flood-risk levels.

Zones C, D: NOT IN an area of "100-year" flooding. Area of minimal (Zone C) or undetermined (Zone D) flood hazard.

Zones X: An area of minimal flood risk. These are areas outside the "500" year flood-risk level.

Zone X500: An area of moderate flood risk. These are areas between the "100" and "500" year flood-risk levels.

Zone X500_Levee: An area of moderate flood risk that is protected from "100-year flood" by levee and that is subject to revision to high risk (Zone A) if levee is decertified by FEMA.

Zone N: Area Not Included, no flood zone designation has been assigned or not participating in the National Flood Insurance Program.

Note: If the Property is subject to a Letter of Map Amendment ("LOMA") or a Letter of Map Revision ("LOMR") issued by FEMA, a copy of the LOMA or LOMR must be attached to the Natural Hazard Disclosure Statement ("NHDS") or appropriate disclosure statement. The Company is not always able to determine if the Property is subject to a LOMA or a LOMR. Even if such information is available to the Company, the Company is unable to attach a copy of the LOMA or LOMR to the NHDS. If Seller is aware that the Property is subject to a LOMR or a LOMA, the Seller shall attach a copy to the NHDS and notify the Company.

For more information about flood zones, visit:

http://www.floodsmart.gov/floodsmart/pages/flooding_flood_risks/defining_flood_risks.jsp

PUBLIC RECORD: Official Flood Insurance Rate Maps ("FIRM") compiled and issued by the Federal Emergency Management Agency ("FEMA") pursuant to 42 United States Code §4001, et seq.

AREA OF POTENTIAL FLOODING (DAM FAILURE)

DISCUSSION: Local governmental agencies, utilities, and owners of certain dams are required to prepare and submit inundation maps for review and approval by the California Office of Emergency Services ("OES"). A property within an Area of Potential Flooding Caused by Dam Failure is subject to potential flooding in the event of a sudden and total dam failure with a full reservoir. Such a failure could result in property damage and/or personal injury. However, dams rarely fail instantaneously and reservoirs are not always filled to capacity. Please note that not all dams (such as federally controlled dams) located within the state have been included within these dam inundation zones. Also these maps do not identify areas of potential flooding resulting from storms or other causes.

PUBLIC RECORD: Official dam inundation maps or digital data thereof made publicly available by the State of California Office of Emergency Services ("OES") pursuant to California Government Code §8589.5.



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VERY HIGH FIRE HAZARD SEVERITY ZONE (VHFHSZ)

DISCUSSION: VHFHSZs can be defined by the California Department of Forestry and Fire Protection ("CDF") as well as local fire authorities within "Local Responsibility Areas" where fire suppression is the responsibility of a local fire department. Properties located within VHFHS Zones may have a higher risk for fire damage and, therefore, may be subject to (i) additional construction requirements such as a "Class A" roof for new construction or replacement of existing roofs; and (ii) additional maintenance responsibilities such as adequate vegetation clearance near the structure, spark screens on chimneys and stovepipes, leaf removal from roofs, and other basic fire-safety practices. Contact the local fire department for a complete list of requirements and exceptions.

PUBLIC RECORD: Official maps issued by the California Department of Forestry and Fire Protection ("CDF") pursuant to California Public Resources Code § 51178.

WILDLAND FIRE AREA (STATE RESPONSIBILITY AREA)

DISCUSSION: The State Board of Forestry classifies all lands within the State of California based on various factors such as ground cover, beneficial use of water from watersheds, probable damage from erosion, and fire risks. Fire prevention and suppression in all areas which are not within a Wildland - State Responsibility Area ("WSRA") is primarily the responsibility of the local or federal agencies, as applicable.

For property located within a WSRA, please note that (1) there may be substantial forest fire risks and hazards; (2) except for property located within a county which has assumed responsibility for prevention and suppression of all fires, it is NOT the state's responsibility to provide fire protection services to any building or structure located within a WSRA unless the Department has entered into a cooperative agreement with a local agency; and (3) the property owner may be subject to (i) additional construction requirements such as a "Class A" roof for new construction or replacement of existing roofs; and (ii) additional maintenance responsibilities such as adequate vegetation clearance near the structure, spark screens on chimneys and stovepipes, leaf removal from roofs, and other basic fire-safety practices.

The existence of local agreements for fire service is not available in the Public Record and, therefore, is not included in this disclosure. For very isolated properties with no local fire services or only seasonal fire services there may be significant fire risk. If the Property is located within a WSRA, please contact the local fire department for more detailed information.

PUBLIC RECORD: Official maps issued by the California Department of Forestry and Fire Protection ("CDF") pursuant to California Public Resources Code § 4125.

SRA Fire Prevention Benefit Fee Advisory

On August 22, 2011, the State Board of Forestry and Fire Protection ("Board") adopted an emergency regulation that modifies the new Fire Prevention Benefit Fee ("Benefit Fee") imposed annually on property owners in wildland areas where the state has responsibility for providing fire protection. According to the regulation, the Benefit Fee will not exceed one hundred fifty dollars (\$150.00) per dwelling in the State Responsibility Area ("SRA"), including but not limited to mobilehomes or manufactured homes. The Board regulation is pursuant to Chapter 1.5 (commencing with Section 4210) to Part 2 of Division 4 of the Public Resources Code (also known as Assembly Bill X1 29). The regulation defines the applicable benefits and fee structure and includes specified exemptions that can substantially reduce the amount of the fee for the property owner. The emergency regulation is temporary (valid up to 180 days) and may be subject to change. For more information, please refer to "Part 7. State Responsibility Area Fire Prevention Fee" in the JCP-LGS Property Tax Report.



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EARTHQUAKE FAULT ZONE

DISCUSSION: Earthquake Fault Zones are delineated and adopted by California as part of the Alquist-Priolo Earthquake Fault Zone Act of 1972. Property in an Earthquake Fault Zone ("EF Zone") does not necessarily have a fault trace existing on the site. EF Zones are areas or bands delineated on both sides of known active earthquake faults. EF Zones vary in width but average one-quarter (1/4) mile in width with the "typical" zone boundaries set back approximately 660 feet on either side of the fault trace. The potential for "fault rupture" damage (ground cracking along the fault trace) is relatively high only if a structure is located directly on a fault trace. If a structure is not on a fault trace, shaking will be the primary effect of an earthquake. During a major earthquake, shaking will be strong in the vicinity of the fault and may be strong at some distance from the fault depending on soil and bedrock conditions. It is generally accepted that properly constructed wood-frame houses are resistant to shaking damage.

PUBLIC RECORD: Official earthquake fault zone or special study zone maps approved by the State Geologist and issued by the California Department of Conservation, California Geological Survey pursuant to California Public Resources Code §2622.

SEISMIC HAZARD MAPPING ACT ZONE

DISCUSSION: Official Seismic Hazard Zone ("SH Zone") maps delineate Areas of Potential Liquefaction and Areas of Earthquake-Induced Landsliding. A property that lies partially or entirely within a designated SH Zone may be subject to requirements for site-specific geologic studies and mitigation before any new or additional construction may take place.

Earthquake-Induced Landslide Hazard Zones are areas where the potential for earthquake-induced landslides is relatively high. Areas most susceptible to these landslides are steep slopes in poorly cemented or highly fractured rocks, areas underlain by loose, weak soils, and areas on or adjacent to existing landslide deposits. The CGS cautions these maps do not capture *all* potential earthquake-induced landslide hazards and that earthquake-induced ground failures are not addressed by these maps. Furthermore, no effort has been made to map potential run-out areas of triggered landslides. It is possible that such run-out areas may extend beyond the zone boundaries. An earthquake capable of causing liquefaction or triggering a landslide may not uniformly affect all areas within a SH Zone.

Liquefaction Hazard Zones are areas where there is a potential for, or an historic occurrence of liquefaction. Liquefaction is a soil phenomenon that can occur when loose, water saturated granular sediment within 40 feet of the ground surface, are shaken in a significant earthquake. The soil temporarily becomes liquid-like and structures may settle unevenly. The Public Record is intended to identify areas with a relatively high potential for liquefaction but not to predict the amount or direction of liquefaction-related ground displacement, nor the amount of damage caused by liquefaction. The many factors that control ground failure resulting from liquefaction must be evaluated on a site specific basis.

PUBLIC RECORD: Official seismic hazard maps or digital data thereof approved by the State Geologist and issued by the California Department of Conservation, California Geological Survey pursuant to California Public Resources Code §2696.

STATUTORY NATURAL HAZARD DISCLOSURE REPORTING STANDARD: "IN" shall be reported if any portion of the Property is located within any of the above zones as delineated in the Public Record. "NOT IN" shall be reported if no portion of the Property is located within any of the above zones as delineated in the Public Record.

"Map Not Available" shall be reported in areas not yet evaluated by the governing agency according to the Public Record. Please note that "Map Not Available" will be applicable to most portions of the state Official Seismic Hazard Zone ("SH Zone") maps delineate Areas of Potential Liquefaction and Areas of Earthquake-Induced Landsliding.



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LOCAL COUNTY-LEVEL AND CITY-LEVEL NATURAL HAZARD DISCLOSURE EXPLANATIONS

PUBLIC RECORDS AND LOCAL REPORTING STANDARDS

HAZARD MAPS IN THE LOCAL GENERAL PLAN: In addition to those federal and state maps associated with disclosures specified under California Civil Code Section 1103, counties and cities have additional maps which depict various geologic and seismic hazards that local agencies consider when approving land use and development permit applications. These may include maps contained in the Safety Element and/or Seismic Safety Element of a General Plan that has been officially adopted by a city or county.

Unless otherwise specified, only those officially adopted Safety Element or Seismic Safety Element maps (or digital data thereof) which are publicly available, are of a scale, resolution, and quality that readily enable parcel-specific hazard determinations, and are consistent in character with those statutory federal or state disclosures will be considered for eligible for use as the basis for county- or city-level disclosures set forth in this Report. Please also note:

- If an officially adopted Safety Element or Seismic Safety Element map relies on data which is redundant of that used for state-level disclosures, this Report will indicate so and advise Report recipients to refer to the state-level hazard discussion section for more information.
- If an officially adopted Safety Element or Seismic Safety Element cites underlying maps created by another agency, those maps may be regarded as incorporated by reference and may be used as the basis for parcel-specific determinations if those maps meet the criteria set forth in this section.
- Because county- and city-level maps are developed independently and do not necessarily define or delineate a given hazard the same way, the boundaries for the "same" hazard may be different.

If one or more maps contained in the Safety Element and/or Seismic Safety Element of an officially adopted General Plan are used as the basis for local disclosure, those maps will appear under the "Public Record(s) Searched" for that county or city.

REPORTING STANDARDS

A good faith effort has been made to disclose all hazard features on pertinent Safety Element and Seismic Safety Element maps with well-defined boundaries; however, those hazards with boundaries that are not delineated will be deemed not suitable for parcel-specific hazard determinations. Some map features, such as lines drawn to represent the location of a fault trace, may be buffered to create a zone to facilitate disclosure. Those map features which can not be readily distinguished from those representing hazards may be included to prevent an omission of a hazard feature. If the width of a hazard zone boundary is in question, "IN" will be reported if that boundary impacts any portion of a property. Further explanations concerning specific map features peculiar to a given county or city will appear under the "Reporting Standards" for that jurisdiction.

PUBLIC RECORDS VS. ON-SITE EVALUATIONS

Mapped hazard zones represent evaluations of generalized hazard information. Any specific site within a mapped zone could be at less or more relative risk than is indicated by the zone designation. A site-specific evaluation conducted by a geotechnical consultant or other qualified professional may provide more detailed and definitive information about the Property and any conditions which may or do affect it.

PROPERTY USE AND PERMITTING

No maps beyond those identified as "Public Record(s)" have been consulted for the purpose of these local disclosures. These disclosures are intended solely to make Report recipient(s) aware of the presence of mapped hazards. For this reason – and because local authorities may use on these or additional maps or data differently to determine property-specific land use and permitting approvals - Report recipients are advised to contact the appropriate local agency, usually Community Development, Planning, and/or Building, prior to the transaction to ascertain if these or any other conditions or related regulations may impact the Property use or improvement.



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CITY AND COUNTY OF SAN FRANCISCO GEOLOGIC ZONES DISCUSSION

PUBLIC RECORD(S) SEARCHED: The following Public Records, contained or referenced in the Seismic Safety Element of the City General Plan as adopted by the County Board of Supervisors in 1997, are utilized for those disclosures below: "San Francisco Seismic Safety Investigation, Geologic Evaluation," prepared by John Blume & Associates and incorporated by reference into the Safety Element of the General Plan.

FAULT

Although the Public Record does not include any known active faults, San Francisco does map several inactive faults. Inactive faults (those which have had no movement within the past 10,000 years and are not expected to move in the foreseeable future) are not considered to be a high hazard, but building set-backs may be required prior to construction near them.

Reporting Standards: If any portion of the Property is situated within one hundred (100) feet of a fault trace as delineated in the Public Record, "WITHIN" shall be reported.

LANDSLIDE POTENTIAL

Landslide hazard potential exists in certain hillside areas. If a property is located in one of these areas, it does not necessarily mean that a landslide exists on the property or that landsliding is imminent or even probable. It does mean that a greater risk of landsliding exists in this area compared with other more stable or less hilly areas of the city. There is also a potential for earthquake-triggered slope failure to occur in this hazard zone. However, because these areas are usually underlain by near-surface bedrock, earthquake-shaking intensities generally are lower and the effects of such shaking are less severe than in other areas.

Reporting Standards: If any portion of the Property is situated within a potential landslide area as delineated in the Public Record, "IN" shall be reported.

LIQUEFACTION POTENTIAL

Liquefiable soils pose a significant hazard to San Francisco. Liquefaction is a ground failure phenomenon that is usually associated with earthquakes of intense and prolonged ground movement. It is a process which occurs when the ground shaking forces water between particles of loose or medium-dense materials (sands, silts), causing them to lose stability and liquefy much like quick-sand.

Reporting Standards: If any portion of the Property is situated within an area of potential liquefaction as delineated in the Public Record, "IN" shall be reported.

GROUND SHAKING

Ground-shaking intensities are estimated values based on a major earthquake similar to the 1906 event in magnitude and proximity to San Francisco. The 1906 earthquake is estimated to have been 8.3 in magnitude on the Richter scale with its epicenter located about 20 miles north of San Francisco in Marin County. Geologists have estimated a "recurrence interval" (length of time between earthquakes of similar size and location) for an earthquake of this magnitude and location on the San Andreas Fault to be approximately 316 years. However, it should be noted that there are other active faults in the Bay Area that can cause significant shaking in the San Francisco area.

- **Zone A** represents an area subject to very violent shaking.
- **Zone B** represents an area subject to violent shaking, fairly general collapse of brick and frame structures when not unusually strong, and serious cracking of brickwork and masonry in excellent structures.
- **Zone C** represents an area subject to very strong shaking and bad cracking of masonry and brickwork with occasional collapse. Frame buildings lurched (knocked off foundations) if on weak underpinning, with occasional collapse. General destruction of chimneys.
- **Zone D** represents an area subject to strong shaking, general but not universal fall of brick chimneys, and cracking of masonry and brick work. A few isolated cases of frame buildings knocked off poorly constructed foundations.
- **Zone E** represents an area subject to weak shaking, with occasional fall of brick chimneys and plaster.

Reporting Standards: The more/most severe Ground Shaking Zone as delineated in the Public Record in which the Property is located shall be reported.



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TSUNAMI

Tsunami (seismically-induced "tidal" waves) are large ocean waves generated by undersea earthquakes. Some shore front areas may be subject to tsunami run up on the average of once every two hundred years. Properties in these low-lying areas may be inundated if a 20-foot-high tsunami run up occurs at the Golden Gate.

Reporting Standards: If any portion of the Property is situated within a tsunami inundation area as delineated in the Public Record, "IN" shall be reported.

SUBSIDENCE

Subsidence areas represent tidal marshlands and mud flats normally overlain by artificial fill. These muds consist primarily of deposits of unconsolidated clay, but they may also include sand layers that can liquefy. Bay mud deposits may be compressible and subject to settling during earthquake shaking.

Reporting Standards: If any portion of the Property is situated within a subsidence area as delineated in the Public Record, "IN" shall be reported.

DAM INUNDATION

Reservoir Inundation Zones may be subject to flooding in the event of a reservoir failure. These areas were defined assuming an instantaneous dam failure with the reservoir full to capacity. However, dams rarely fail instantaneously, and reservoirs are not filled to capacity at all times.

Reporting Standards: If any portion of the Property is situated within a reservoir (dam) inundation zone as delineated in the Public Record, "IN" shall be reported.



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CITY-LEVEL GEOLOGIC AND SEISMIC ZONES DISCUSSION

This Report reviews the officially adopted geologic hazard maps in the Safety Element that each city in California is required to include in its General Plan. The city the subject property is located in has either not officially adopted hazard zonation maps in its General Plan at an appropriate scale to delineate where hazards may exist on a single parcel basis or will not make such maps available outside city offices. However, all Parties should be California is "earthquake country." Faults that may exist in this city or in neighboring regions could cause earthquake shaking or other fault related-phenomena on the Property. Other geologic hazards such as, but not limited to liquefaction (a type of soil settling that can occur when loose, water-saturated sediments are shaken significantly in an earthquake) may occur in certain valley floor areas and landslides are a possibility in any hillside area. Such potential natural hazards may exist and be delineated on other sources used by the city in its Planning, Engineering, or Building Departments. Such potential sources are not reviewed in this report.

• • • **END OF LOCAL AREA DISCLOSURES AND DISCUSSIONS SECTION** • • •



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ADDITIONAL PROPERTY SPECIFIC DISCLOSURES

FORMER MILITARY ORDNANCE SITE DISCLOSURE

DISCUSSION: Former Military Ordnance (FUD) sites can include sites with common industrial waste (such as fuels), ordnance or other warfare materiel, unsafe structures to be demolished, or debris for removal. California Civil Code 1102 requires disclosure of those sites containing unexploded ordnance. "Military ordnance" is any kind of munitions, explosive device/material or chemical agent used in military weapons. Unexploded ordnance are munitions that did not detonate. NOTE: most FUD sites do not contain unexploded ordnance. Only those FUD sites that the U.S. Army Corps of Engineers (USACE) has identified to contain Military Ordnance or have mitigation projects planned for them are disclosed in this report. Additional sites may be added as military installations are released under the Federal Base Realignment and Closure (BRAC) Act. Active military sites are NOT included on the FUD site list.

PUBLIC RECORD: Data contained in Inventory Project Reports, Archives Search Reports, and related materials produced for, and made publicly available in conjunction with, the Defense Environmental Restoration Program for Formerly Used Defense Sites by the U.S. Army Corps of Engineers. Sites for which no map has been made publicly available shall not be disclosed.

REPORTING STANDARD: If one or more facility identified in the Public Record is situated within a one (1) mile radius of the Property, "WITHIN" shall be reported. The name of that facility or facilities shall also be reported.

COMMERCIAL OR INDUSTRIAL ZONING DISCLOSURE

DISCUSSION: The seller of real property who has actual knowledge that the property is affected by or zoned to allow commercial or industrial use described in Section 731a of the Code of Civil Procedure shall give written notice of that knowledge to purchasers as soon as practicable before transfer of title (California Civil Code Section 1102.17). The Code of Civil Procedure Section 731a defines industrial use as areas in which a city and/or county has established zones or districts under authority of law wherein certain manufacturing or commercial or airport uses are expressly permitted. The "Zoning Disclosure" made in this report DOES NOT purport to determine whether the subject property is or is not affected by a commercial or industrial zone. As stated above, that determination is based solely upon ACTUAL KNOWLEDGE of the seller of the subject property.

In an effort to help determine areas where this may be applicable, this disclosure identifies if a property exists within one mile of the seller's property that is zoned to allow for commercial or industrial use. Very commonly, a home will have in its vicinity one or more properties that are zoned for commercial or industrial use such as restaurants, gasoline stations, convenience stores, golf courses, country club etc.

PUBLIC RECORD: Based on publicly-available hardcopy and/or digital zoning and land use records for California cities and counties.

REPORTING STANDARD: If one or more property identified in the Public Record as "commercial," "industrial," or "mixed use" is situated within a one (1) mile radius of the Property, "WITHIN" shall be reported. Please note that an airport facility that may be classified as public use facility in the Public Record will be reported as "commercial/industrial" in this disclosure.



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AIRPORT INFLUENCE AREA DISCLOSURE

DISCUSSION:

Certain airports are not disclosed in this report. JCP-LGS has made a good faith effort to identify the airports covered under Section 1102.6a. Sources consulted include official land use maps and/or digital data made available by a governing Airport Land Use Commission (ALUC) or other designated government body. Most facilities for which an Airport Influence Area has been designated are included on the "California Airports List" maintained by the California Department of Transportation's Division of Aeronautics. Not disclosed in this report are public use airports that are not in the "California Airports List", airports that are physically located outside California, heliports and seaplane bases that do not have regularly scheduled commercial service, and private airports or military air facilities unless specifically identified in the "California Airports List". **If the seller has actual knowledge of an airport in the vicinity of the subject property that is not disclosed in this report, and that is material to the transaction, the seller should disclose this actual knowledge in writing to the buyer.**

Most facilities for which an Airport Influence Area has been designated are included on the "California Airports List" maintained by the California Department of Transportation's Division of Aeronautics. The inclusion of military and private airports varies by County, and heliports and seaplane bases are not included, therefore, airports in these categories may or may not be included in this disclosure.

NOTE: Proximity to an airport does not necessarily mean that the property is exposed to significant aviation noise levels. Alternatively, there may be properties exposed to aviation noise that are greater than two miles from an airport. Factors that affect the level of aviation noise include weather, aircraft type and size, frequency of aircraft operations, airport layout, flight patterns or nighttime operations. Buyer should be aware that aviation noise levels can vary seasonally or change if airport usage changes.

PUBLIC RECORD: Based on officially adopted land use maps and/or digital data made publicly available by the governing ALUC or other designated government body. If the ALUC or other designated government body has not made publicly available a current officially adopted airport influence area map, then California law states that "a written disclosure of an airport within two (2) statute miles shall be deemed to satisfy any city or county requirements for the disclosure of airports in connection with transfers of real property."

REPORTING STANDARD: "IN" shall be reported along with the facility name(s) and the "Notice of Airport in Vicinity" if any portion of the Property is situated within either (a) an Airport Influence Area as designated on officially adopted maps or digital data or (b) a two (2) mile radius of a qualifying facility for which an official Airport Influence Area map or digital data has not been made publicly available by the ALUC or other designated governing body. "NOT IN" shall be reported if no portion of the Property is within either area.



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AIRPORT NOISE DISCLOSURE

DISCUSSION: California Civil Code §1102.17 requires the seller(s) of residential real property who has/have actual knowledge that the property in the transaction is affected by airport use must give written notice of that knowledge, as soon as practicable, before transfer of title.

Under the Federal Aviation Administration's *Airport Noise Compatibility Planning Program* Part 150, certain 65 decibel (dB) Community Noise Equivalent Level (CNEL) contour maps have been produced for some airports. ***Not all airports have produced noise exposure maps. A property may be near or at some distance from an airport and not be within a delineated noise exposure area, but still experience aviation noise. Unless 65dB CNEL contour maps are published, helipads and military sites are not included in this section of the Report.***

The *Airport Noise Compatibility Planning Program* is voluntary and not all airports have elected to participate. Furthermore, not all property in the vicinity of an airport is exposed to 65dB CNEL or greater average aviation noise levels. Conversely a property may be at some distance from an airport and still experience aviation noise. Buyer should be aware that aviation noise levels can vary seasonally or change if airport usage changes after a map is published or after JCP-LGS receives the updated maps within the schedule set by JCP-LGS. JCP-LGS uses the most seasonally conservative noise exposures provided.

Federal funding may be available to help airports implement noise reduction programs. Such programs vary and may include purchasing properties, rezoning, and insulating homes for sound within 65dB areas delineated on CNEL maps. Airport owners have also cooperated by imposing airport use restrictions that include curfews, modifying flight paths, and aircraft limitations.

PUBLIC RECORD: Certain 65 decibel (dB) Community Noise Equivalent Level (CNEL) contour maps produced under the Federal Aviation Administration's *Airport Noise Compatibility Planning Program* Part 150.

REPORTING STANDARD: "IN" shall be reported if any portion of the Property is situated within a 65 decibel Community Noise Equivalent Level contour identified in the Public Record. "NOT IN" shall be reported if no portion of the Property is situated within a 65 decibel Community Noise Equivalent Level contour identified in the Public Record.



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SAN FRANCISCO BAY CONSERVATION AND DEVELOPMENT COMMISSION DISCLOSURE

DISCUSSION: As of July 1, 2005, Civil Code §1103.4 mandates disclosure to buyers of certain real estate if the boundary of the property is determined to be (1) within 100 feet of the San Francisco Bay shoreline as mapped in 1997 by the National Ocean Survey (NOS), an agency of the National Oceanographic and Atmospheric Administration (NOAA); or (2) within another mapped zone established by the Bay Conservation and Development Commission (BCDC). The BCDC has regulatory jurisdiction within 100 feet inland from the point of "mean higher high water" as mapped by the NOS, and within other zones the agency has defined along the San Francisco Bay margin (BCDC Memo entitled "Guidance on Determining Commission Jurisdiction Pursuant to Senate Bill 1568").

Notice is required to prevent unknowing violations of the law by new owners who were unaware that certain activities on the real property are subject to the BCDC's permit requirements. **The BCDC notes that the Bay is a highly dynamic environment and the shoreline changes over time (see Discussion below).** In addition, there is inherent uncertainty in the shoreline position as mapped by the NOS or any agency. **The BCDC advises the buyer and other interested parties to contact its office if a more authoritative jurisdictional determination is desired. The BCDC office is located at 50 California Street, Suite 2600, San Francisco, California 94111, and can be reached at (415) 352-3600, or by email to info@bcdc.ca.gov**

The BCDC has issued maps for some parts of its jurisdiction, including the San Francisco Bay Plan maps (California Code of Regulations, Title 14, Section 10121) and the Suisun Marsh Plan maps (Nejedly-Bagley-Z'berg Suisun Marsh Preservation Act of 1974). Official maps have not been issued for other parts of the BCDC jurisdiction (McAteer-Petris Act areas) because the Bay is a highly dynamic environment and the shoreline changes over time (in part because the sea level also changes over time). In those areas where official BCDC maps are not available or along the edges of the BCDC's mapped jurisdiction, to meet the disclosure requirements, this report will indicate that the property "could be within" the BCDC's jurisdiction and that a location-specific jurisdictional determination should be made by consulting the BCDC. This determination of "could be within" the BCDC's jurisdiction was recommended by the BCDC in that certain Memo entitled "Guidance on Determining Commission Jurisdiction Pursuant to Senate Bill 1568" issued in February 2005 and posted on the BCDC website.

PUBLIC RECORDS: San Francisco Bay Plan maps (California Code of Regulations, Title 14, Section 10121) and the Suisun Marsh Plan maps (Nejedly-Bagley-Z'berg Suisun Marsh Preservation Act of 1974) made publicly available by BCDC and that certain Memo entitled "Guidance on Determining Commission Jurisdiction Pursuant to Senate Bill 1568" issued by BCDC in February 2005 and posted on the BCDC website ("BCDC Memo").

REPORTING STANDARD: "WITHIN" shall be reported if any portion of the Property is situated within an areas mapped by BCDC or is within the 100-foot shoreline band. "COULD BE WITHIN" shall be reported if any portion of the Property is situated within one-quarter (1/4) mile of either an area mapped by BCDC or the 100-foot shoreline band. "NOT WITHIN" shall be reported if no portion of the Property is situated within an area that would otherwise be reported as either "WITHIN" or "COULD BE WITHIN."



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CALIFORNIA ENERGY COMMISSION DUCT SEALING & TESTING REQUIREMENT

DISCUSSION: According to the California Energy Commission ("CEC") most California homes have improperly sealed central air conditioning and heating system ducts such that approximately 30 percent of the conditioned air actually leaks outside the home.

Effective October 1, 2005, in order to combat this waste of energy and money, the CEC set forth new duct sealing and testing requirements in Title 24 of the Building Energy Efficiency Standards. Title 24 requires that, in specific climate zones as designated by the CEC, **when a central air conditioner or furnace is installed or replaced**, homeowners must have ducts tested for leaks. Ducts found to leak more than 15 percent or more must be repaired. Once a contractor tests and fixes these ducts, you must have an approved third-party verifier determine that the ducts have been properly sealed. The CEC cautions homeowners that a contractor who fails to obtain a required building permit and fails to test and repair your ducts "is violating the law and exposing you to additional costs and liability." If you do not obtain a permit, you may be required to bring your home into compliance with code requirements for that work and may incur additional penalties and fines that have to be paid prior to selling your home. Remember that you have a duty to disclose whether you obtained required permits for work performed to prospective buyers and appraisers.

Local governments may mandate more stringent requirements; however, please be advised that duct sealing and associated testing is generally not required:

- if homes are located in specific coastal climates;
- when systems have less than 40 feet of ductwork in unconditioned spaces such as attics, garages, crawlspaces, basements, or outside the building; or
- when ducts are constructed, insulated, or sealed with asbestos.

Please note there are specific alternatives that allow high efficiency equipment and added duct insulation to be installed instead of fixing duct leaks. Please also be advised that there are separate regulations which govern duct insulation levels required by climate zone and HVAC system.

For more information on these requirements, please contact the California Energy Commission or visit the official CEC "2005 HVAC Change-Out Information" portal at <http://www.energy.ca.gov/title24/changeout/>

PUBLIC RECORD: Vector digital rendition of the official "California Building Climate Zone Map" made publicly available by the California Energy Commission ("CEC").

REPORTING STANDARD: "WITHIN" shall be reported if the Property is situated within climate zone 2 or any climate zone 9 through 16 as designated in the Public Record. These are areas wherein duct sealing is "prescriptively required when an air conditioner or furnace is replaced and when new ducts are added or ducts are altered in an existing home." "NOT WITHIN" shall be reported if the Property is situated in climate zone 1 or any climate zones 3 through 8 as designated in the Public Record.



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RIGHT TO FARM DISCLOSURE

DISCUSSION:

California has a "Right to Farm Act" (Civil Code Section 3482.5) to protect farming operations. When agricultural land within the State's agricultural areas is bought and sold, the purchasers are often not made aware of the fact that there are right-to-farm laws. This has led to confusion and a misunderstanding of the actual uses of the land or uses of the surrounding agricultural lands.

In 2008 the State of California enacted Assembly Bill 2881 to limit the exposure of farmers to nuisance lawsuits by homeowners in neighboring developments. The mechanism of this bill is a formal notification of the buyer, through a "Notice of Right to Farm" in an expert disclosure report that advises the buyer if the subject property is within one mile of farmland as defined in the bill.

If the seller has actual knowledge of an agricultural operation in the vicinity of the subject property that is not disclosed in this report, and that is material to the transaction, the seller should disclose this actual knowledge in writing to the buyer.

PUBLIC RECORD: Based on the most current available version of the "Important Farmland Map" issued by the California Department of Conservation, Division of Land Resource Protection, utilizing solely the county-level GIS map data, if any, available on the Division's Farmland Mapping and Monitoring Program website, pursuant to Section 11010 of the Business and Professions Code, and Section 1103.4 of the California Civil Code.

REPORTING STANDARD: "IN" shall be reported and the "Notice of Right to Farm" provided if any portion of the Property is situated within, or within one mile of, a parcel of real property designated as "Prime Farmland," "Farmland of Statewide Importance," "Unique Farmland," "Farmland of Local Importance," or "Grazing Land" in the public record. "NOT IN" shall be reported if no portion of the Property is within that area.

Some counties, or parts thereof, are not included in the Public Record because they have not been mapped for farmland parcels under this State program. Typically, this is because the county area is public land and not planned for incorporation, or, in the case of San Francisco, the county is entirely incorporated. In those instances, we report "Map Not Available" above, or "Map N/A" in the table of summary determinations at the beginning of this report.



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ADVISORIES

**REGISTERED SEX OFFENDER DATABASE DISCLOSURE REQUIREMENT
("MEGAN'S LAW")**

Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at 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.

DISCUSSION: California law (AB 488), signed by the Governor on September 24, 2004, provides the public with Internet access to detailed information on registered sex offenders. The Sex Offender Tracking Program of the California Department of Justice (DOJ) maintains the database of the locations of persons required to register pursuant to paragraph (1) of subdivision (a) of Section 290.46 of the Penal Code. The online database is updated with data provided by local sheriff and police agencies on an ongoing basis. It presents offender information in 13 languages; may be searched by a sex offender's specific name, zip code, or city/county; provides access to detailed personal profile information on each registrant; and includes a map of your neighborhood.

California Department of Justice Information Sources:

Megan's Law Sex Offender Locator Web Site: <http://www.meganslaw.ca.gov>
California Department of Justice Megan's Law Email Address: meganslaw@doj.ca.gov

Local Information Locations For The Property:

All sheriffs' departments and every police department in jurisdictions with a population of 200,000 or more are required to make a CD-ROM available free to the public for viewing. Although not required, many other law enforcement departments in smaller jurisdictions make the CD-ROM available as well. Please call the local law enforcement department to investigate availability.

The following are the law enforcement departments in your county that are REQUIRED to make information available:

San Francisco County Sheriff Department	(415) 553-9203
San Francisco Police Department	(415) 553-9203

Explanation and How to Obtain Information

For over 50 years, California has required certain sex offenders to register with their local law enforcement agencies. However, information on the whereabouts of the sex offenders was not available to the public until implementation of the Child Molester Identification Line in July 1995. The available information was expanded by California's "Megan's Law" in 1996 (Chapter 908, Stats. of 1996). Megan's Law provides certain information on the whereabouts of "serious" and "high-risk" sex offenders. The law specifically prohibits using the information to harass or commit any crime against the offender. The information on a registered sex offender includes: name and known aliases; age and sex; physical description, including scars, marks and tattoos; photograph, if available; crimes resulting in registration; county of residence; and zip code (from last registration). Accessing the online database requires agreement to the DOJ's terms of use on the web page.



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METHAMPHETAMINE CONTAMINATED PROPERTY DISCLOSURE ADVISORY

DISCUSSION: According to the "Methamphetamine Contaminated Property Cleanup Act of 2005" a property owner must disclose in writing to a prospective buyer if local health officials have issued an order prohibiting the use or occupancy of a property contaminated by meth lab activity. The owner must also give a copy of the pending order to the buyer to acknowledge receipt in writing. Failure to comply with these requirements may subject an owner to, among other things, a civil penalty up to \$5,000. Aside from disclosure requirements, this new law also sets forth procedures for local authorities to deal with meth-contaminated properties, including the filing of a lien against a property until the owner cleans up the contamination or pays for the cleanup costs.

MOLD ADVISORY

DISCUSSION: The Buyer is hereby advised that naturally occurring molds may exist both inside and outside of any home and may not be visible to casual inspection. Persons exposed to extensive mold levels can become sensitized and develop allergies to the mold or other health problems. Extensive mold growth can damage a structure and its contents. All prospective purchasers of residential and commercial property are advised to thoroughly inspect the Property for mold. Be sure to inspect the Property inside and out for sources of excess moisture, current water leaks and evidence of past water damage.

As part of a buyer's physical inspection of the condition of a property, the buyer should consider engaging an appropriate and qualified professional to inspect and test for the presence of harmful molds and to advise the buyer of any potential risk and options available. This advisory is not a disclosure of whether harmful mold conditions exist at a property or not. No testing or inspections of any kind have been performed by The Company. Any use of this form is acknowledgement and acceptance that The Company does not disclose, warrant or indemnify mold conditions at a property in any way and is not responsible in any way for mold conditions that may exist. Information is available from the California Department of Health Services Indoor Air Quality Section fact sheet entitled, "Mold in My Home: What Do I Do?" The fact sheet is available at www.cal-iaq.org or by calling (510) 620-3620.

The Toxic Mold Protection Act of 2001 requires that information be developed regarding the potential issues surrounding naturally occurring molds within a home. Information was written by environmental authorities for inclusion in the *Environmental Hazards: A Guide for Homeowners, Buyers, Landlords and Tenants* booklet developed by the California Environmental Protection Agency and the Department of Health Services. It is found in Chapter VI of that booklet, and includes references to sources for additional information.

For local assistance, contact your county or city Department of Health, Housing, or Environmental Health.



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RADON ADVISORY

DISCUSSION: For its Radon Advisory, JCP-LGS uses the updated assessment of radon exposure published in 1999 by the Lawrence Berkeley National Laboratory (LBNL) and Columbia University, under support from the U.S. Environmental Protection Agency (EPA), the National Science Foundation, and the US Department of Energy (published online at <http://eetd.lbl.gov/IEP/high-radon/USqm.htm>). Based on this recent assessment, JCP-LGS's radon advisory is as follows:

All of California's 58 counties have a predicted median annual-average living-area concentration of radon **below 2.0 pCi/L** (picocuries per liter of indoor air) – which is well below the EPA's guideline level of 4 pCi/L and equivalent to the lowest hazard zone (Zone 3) on the 1993 EPA Map of Radon Zones

The "median concentration" means that half of the homes in a county are expected to be below this value and half to be above it. All houses contain some radon, and a few houses will contain much more than the median concentration. **The only way to accurately assess long-term exposure to radon in a specific house is through long-term testing (sampling the indoor air for a year or more). The EPA recommends that all homes be tested for radon.** Columbia University's "Radon Project" website offers help to homeowners in assessing the cost vs. benefit of testing a specific house for radon or modifying it for radon reduction (see <http://www.stat.columbia.edu/radon/>).

NOTE: JCP-LGS does not use the EPA's 1993 map for advisory purposes because that map shows "short-term" radon exposure averaged by county. It was based on "screening measurements" that were intentionally designed to sample the worst-case conditions for indoor air in US homes—using spot checks (sampling for just a few days), in the poorest air quality (with sealed doors and windows), at the worst time of the year (winter), in the worst part of the house (the basement, if one was available). These short-term, winter, basement measurements are both biased and variable compared to long-term radon concentrations (averaged over a year) in the living area of a house. Long-term concentrations are a more accurate way to judge the long-term health risk from radon. For the above reasons, the EPA expressly disclaims the use of its 1993 map for determining whether any house should be tested for radon, and authorizes no other use of its map for property-specific purposes. For additional information about EPA guidelines and radon testing, see "Chapter VII—Radon", in the California Department of Real Estate's *Residential Environmental Hazards: A Guide for Homeowners, Homebuyers, Landlords and Tenants*.



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ENDANGERED SPECIES ACT ADVISORY

DISCUSSION: The Federal Endangered Species Act of 1973 ("ESA"), as amended, requires that plant and animal species identified and classified ("listed") by the Federal government as "threatened" or "endangered" be protected under U.S. law. Areas of habitat considered essential to the conservation of a listed species may be designated as "critical habitat" and may require special management considerations or protection. All threatened and endangered species – even if critical habitat is not designated for them – are equally afforded the full range of protections available under the ESA.

In California alone, over 300 species of plants and animals have been designated under the ESA as threatened or endangered, and over 80 species have critical habitats designated for them. Most California counties are host to a dozen or more protected species and, in many cases, 10 or more species have designated critical habitats within a county.

ADVISORY: An awareness of threatened and endangered species and/or critical habitats is not reasonably expected to be within the actual knowledge of a seller.

No federal or state law or regulation requires a seller or seller's agent to disclose threatened or endangered species or critical habitats, or to otherwise investigate their possible existence on real property. Therefore, Buyer is advised that, prior to purchasing a vacant land parcel or other real property, Buyer should consider investigating the existence of threatened or endangered species, or designated critical habitats, on or in the vicinity of the Property which could affect the use of the Property or the success of any proposed (re)development.

FOR MORE INFORMATION: Complete and current information about the threatened and endangered species in California that are Federally listed in each county – including all critical habitats designated there – is available on the website of the U.S. Fish & Wildlife Service, the Federal authority which has enforcement responsibility for the ESA.

For Northern California visit:
http://www.fws.gov/sacramento/es/spp_lists/auto_list_form.cfm

For Southern California visit:
http://www.fws.gov/carlsbad/TEspecies/CFWO_Species_List.htm



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ABANDONED MINES ADVISORY

DISCUSSION: According to the California Department of Conservation, Office of Mine Reclamation, since the Gold Rush of 1849, tens of thousands of mines have been dug in California. Many were abandoned when they became unproductive or unprofitable. The result is that California's landscape contains many thousands of abandoned mines, which can pose health, safety, or environmental hazards on and around the mine property. Mines can present serious physical safety hazards, such as open shafts or adits (mine tunnel), and they may create the potential to contaminate surface water, groundwater, or air quality. Some abandoned mines are such massive problems as to earn a spot on the Federal Superfund environmental hazard list.

No California law requires the disclosure of abandoned mines in a real estate transaction, unless the existence of an abandoned mine is within the actual knowledge of the Seller and is deemed to be a fact material to the transaction.

The Office of Mine Reclamation (OMR) and the U.S. Geological Survey maintain a database of abandoned mines – however, it is known to be incomplete and based on maps that are often decades out of date. Many mines are not mapped because they are on private land. The OMR warns that the State's abandoned mines database "*should NOT be relied upon for...the obligations of sellers of real property and their disclosure obligations under California law.*" (See reference below.)

This Report does not contain an abandoned mines disclosure from any government database or map or any other source.

Parties concerned about the possible existence or impact of abandoned mines in the vicinity of the Property are advised to retain a State-licensed geotechnical consultant to study the site and issue a report. Other sources of information include, but are not limited to, the State Office of Mine Reclamation at (916) 323-9198 (website: <http://www.conservation.ca.gov/OMR>), and the Engineering, Planning or Building Departments in the subject City and County.

FOR MORE INFORMATION: For more information visit the State Office of Mine Reclamation's website at: http://www.conservation.ca.gov/omr/abandoned_mine_land/Pages/index.aspx

OIL & GAS WELL ADVISORY

California is currently ranked fourth in the nation among oil producing states. Surface oil production is concentrated mainly in the Los Angeles Basin and Kern County, and in districts elsewhere in the state. In recent decades, real estate development has rapidly encroached into areas where oil production has occurred. Because the state's oil production has been in decline since the 1980's, thousands of oil and gas wells have been shut down or abandoned, and many of those wells are in areas where residential neighborhoods now exist.

According to the California Department of Conservation ("DOC"), to date, about 200,000 oil, gas, and geothermal wells have been drilled in California and around 94,000 are still in use. The majority of remaining wells have been sealed ("capped") under the supervision of the DOC's Division of Oil, Gas and Geothermal Resources. A smaller number have been abandoned and have no known responsible operator – these are called "orphan" wells. The state has a special fund that pays the cost of safely capping orphan wells, however, that program is limited in its scope and progress.

Buyer should be aware that oil and gas wells, which may include orphan wells, exist in SAN FRANCISCO County. Health and safety hazards may be associated with oil and gas wells, whether orphan, capped or active, including, but not limited to, soil and groundwater contamination, oil and methane seeps, fire hazards, air quality problems, and physical safety hazards to humans and animals.

For More Information

For a search of the state's databases of oil and gas wells and sites of known environmental contamination on or near the Property, please obtain the JCP-LGS Residential EnviroCheck Report™. For general information, visit the California Department of Conservation, Division of Oil, Gas, and Geothermal Resources at <http://www.consrv.ca.gov/dog/>



JCP-LGS Residential Property Disclosure Reports
The Natural Hazard Disclosure Report
For SAN FRANCISCO COUNTY

Property Address: 3647 22ND ST,
SAN FRANCISCO, SAN FRANCISCO COUNTY, CA 94114
("Property")

APN: 3627-045
Report Date: 09/14/2011
Report Number: 1019759

TSUNAMI MAP ADVISORY

DISCUSSION: The California Emergency Management Agency (CalEMA), the University of Southern California Tsunami Research Center (USC), and the California Geological Survey (CGS) have prepared maps that depict areas of maximum tsunami inundation for all populated areas at risk to tsunamis in California (20 coastal counties). The maps were publicly released in December 2009 with the stated purpose that the maps are to assist cities and counties in identifying their tsunami hazard and developing their coastal evacuation routes and emergency response plans only.

These maps specifically contain the following disclaimer:

Map Disclaimer: This tsunami inundation map was prepared to assist cities and counties in identifying their tsunami hazard. It is intended for local jurisdictional, coastal evacuation planning uses only. This map, and the information presented herein, *is not a legal document and does not meet disclosure requirements for real estate transactions nor for any other regulatory purpose.* The California Emergency Management Agency (CalEMA), the University of Southern California (USC), and the California Geological Survey (CGS) make no representation or warranties regarding the accuracy of this inundation map nor the data from which the map was derived. Neither the State of California nor USC shall be liable under any circumstances for any direct, indirect, special, incidental or consequential damages with respect to any claim by any user or any third party on account of or arising from the use of this map.

A tsunami is a series of ocean waves or surges most commonly caused by an earthquake beneath the sea floor. These maps show the maximum tsunami inundation line for each area expected from tsunamis generated by undersea earthquakes and landslides in the Pacific Ocean. Because tsunamis are rare events in the historical record, the maps provide no information about the probability of any tsunami affecting any area within a specific period of time.

Although these maps may not be used as a legal basis for real estate disclosure or any other regulatory purpose, the CGS has, however, provided diagrams of the maps online which the public can view. To see a maximum tsunami inundation map for a specific coastal community, or for additional information about the construction and/or intended use of the tsunami inundation maps, visit the websites below:

State of California Emergency Management Agency, Earthquake and Tsunami Program:
<http://myhazards.calema.ca.gov/>

University of Southern California –Tsunami Research Center:
<http://www.usc.edu/dept/tsunamis/2005/index.php>

State of California Geological Survey Tsunami Information:
http://www.conservation.ca.gov/cgs/geologic_hazards/Tsunami/index.htm

National Oceanic and Atmospheric Agency Center for Tsunami Research (MOST model):
<http://nctr.pmel.noaa.gov/time/background/models.html>



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METHODS AND LIMITATIONS

This section will summarize (a) the methods used in creating this Report, (b) the limitations with respect to the determination and the Public Record, and (c) the responsibilities and liabilities of JCP-LGS under this Report. Please read this section to fully understand the limitations of this Report and JCP-LGS's responsibilities.

A. LIMITATIONS ON PUBLIC RECORD INFORMATION AND THIS REPORT

JCP-LGS has accurately reported the information in the Public Records with respect to the Property as of the Report Date. With respect to the Public Records, it is important to understand that:

- The Public Records may not be accurate, current, fully detailed, or complete.
- A parcel of real property may be affected by hazards that have not been identified in the Public Records.
- There may be other governmental Public Records with relevant information which are not included in this Report.
- JCP-LGS does not make any representations as to:
 - The significance or extent of any hazard disclosed.
 - Any related health or risk of the hazard to humans or animals or how they may affect the Property.
 - The drinking water sources for the Property.
 - Any information regarding the Property after the Report Date.

B. REPORTING STANDARDS

The Reporting Standards utilized by JCP-LGS in making each determination are specified in the Disclosure Explanations (Sections 1 through 3, inclusive) of this Report. If the Property is near the state border, hazards which may be in the adjoining state or nation are not disclosed in this Report. Where appropriate, JCP-LGS may use the assessor's rolls, cadastral-type maps, photographic enlargements of maps and various cartographic techniques to locate the site on the appropriate map. The respective determination is made as accurately as reasonably possible using these maps. For purposes of defining property lines, the assessor's parcel number and parcel maps are used. Any errors in the assessor's rolls may affect the determination procedures. If the Public Record is not of sufficient accuracy or scale that a reasonable person can determine if the Property is within a delineated hazard area or zone, "IN" or "YES" will be reported for the corresponding disclosure.

If the Property is situated within a condominium project or planned unit development, and if the Property has an undivided fee interest in the common area of said project or development, "IN" or "YES" will be reported for the corresponding disclosure if any portion of that common area is situated within the specified hazard area or zone, *even if the primary lot comprising the Property is not directly affected by that hazard area or zone*. If "IN" or "YES" is reported, the association or owner of such a project or development should be contacted to determine if adequate liability insurance is in place for such hazard(s). Likewise, "IN" or "YES" will be reported if the Property is situated within a mobile home park and if any portion of that park is situated within a specified hazard area or zone, even if the primary lot comprising the Property is not directly affected by that hazard area or zone.

C. NOT AN INSPECTION REPORT

JCP-LGS does not perform a physical examination or any testing of the Property. This Report only provides information electronically derived from the specific Public Record identified for each disclosure in the Disclosure Explanation (Sections 1 through 3, inclusive) of this Report. This Report should not be considered a substitute for an on-site environmental and/or geological or engineering assessment. If additional information is desired, the Parties are encouraged to investigate other sources and to consult an environmental expert, a geologist, an engineer or other expert.

D. CHANGES TO PUBLIC RECORD AFTER REPORT DATE

The Parties are advised that the Public Records may change after the Report Date and JCP-LGS is not responsible for advising the Parties of any changes to the determinations that may occur after the Report Date. As a courtesy, JCP-LGS will update this Report at no cost during the transaction process for which this Report was issued, if requested.



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E. ONLY THE PARTIES MAY RELY ON THIS REPORT

This Report is valid, the Parties may rely on the Report, and a contract is formed with JCP-LGS, **only** upon receipt by JCP-LGS of payment of the full price of the Report. This Report may be relied upon only by the Parties to the transaction for which it has been purchased. This Report cannot be relied upon (a) by any persons other than the Seller, the Buyer and their Agents, (b) for any other real property, (c) for any future transactions involving the Property, or (d) for any real property which is not 1-4 family residential property. The price paid for the Report does not include any amounts for protection of such other parties.

F. ERRORS AND OMISSIONS INSURANCE

JCP-LGS maintains errors and omissions insurance. As of the Report Date, JCP-LGS has \$20M aggregate in errors and omissions insurance.

G. LIMITATIONS ON JCP-LGS'S LIABILITY

JCP-LGS is not responsible for:

- Any inaccuracies or incompleteness of the information in the Public Records.
- Inaccurate address information provided for the Property.
- Any other information not contained in the specified Public Records as of the Report Date.
- Any information which would be disclosed by a physical inspection of the Property.
- Any information known by one of the Parties.
- The health or risk to humans or animals that may be associated with any of the disclosed hazards.
- The costs of investigating or remediating any of the disclosed hazards.

This Report is not an insurance policy and does not provide the same protections as an insurance policy. The price of this Report has been established with the understandings of the responsibilities of JCP-LGS as set forth in this Section. The premium for an insurance policy would be significantly greater than the cost of this Report. The Parties acknowledge that claims for damages beyond actual losses can significantly increase the costs of Reports and make prompt resolution of claims more difficult. In order to induce JCP-LGS to provide this Report for the price charged, and to help streamline the process of resolving any disputes between the Parties and JCP-LGS, the Buyer, Seller and Agents agree that if there is a material error or omission in this Report:

- **The Party who suffers damages as a result of such error or omission shall be entitled at most to recover from JCP-LGS the actual proved damages measured by the difference in the fair market value of the Property as of the Report Date, caused by the error or omission but not in excess of sale price of the Property to the Buyer. The Party making such claim must notify JCP-LGS promptly of such claim, take no action which will adversely affect JCP-LGS's liability or defenses to such claim and the Party must fully cooperate with JCP-LGS in the defense of such claim. The Party shall cooperate with providing reasonable evidence of the claim as requested by JCP-LGS.**
- **JCP-LGS shall not be liable for indirect, consequential, personal injury, physical damage or punitive damages (including, but not limited to, emotional distress or pain and suffering).**
- **JCP-LGS will defend the Parties regarding a claim made in accordance with the foregoing provisions. JCP-LGS shall have the right to choose the legal counsel and control the defense of such claim as it reasonably determines.**
- **JCP-LGS shall be subrogated to all rights of the claiming Party against anyone including, but not limited to, another Party who had actual knowledge of a matter and failed to disclose it to the other Parties in writing prior to the Sale Date.**

H. SELLER AND SELLER'S AGENT'S RESPONSIBILITY OF FULL DISCLOSURE

Sellers of real property and their agents should always fully disclose all material facts regarding the real property which they are selling. Regardless of the information in this Report, if Seller or Seller's Agent has any actual knowledge of hazards potentially affecting the Property, that information should be promptly disclosed in writing to the Buyer and the Buyer's Agent.



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I. OTHER AGREEMENTS

This Report sets forth the complete, integrated agreement between JCP-LGS and the Parties. Evidence of prior or contemporaneous statements, representations, promises or agreements shall not be admissible to vary the terms of this written agreement. This agreement may not be changed or amended except by a written document signed by an authorized representative of JCP-LGS and the Parties. In the event that any dispute arises between JCP-LGS and any Parties arising out of or relating to this Report or its subject matter, or any act or omission of JCP-LGS, the prevailing party shall be entitled to recover his, her or its reasonable costs, including attorneys' fees, from the losing party.



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California Property Tax Disclosure Report™

The parties for whom this Report was prepared are the owner of the Residential Property on the Report Date ("Seller"), the buyer of the Residential Property under contract of sale as of the Report Date ("Buyer") and their respective licensed real estate agents ("Agents"). Seller, Buyer and the Agents are sometimes referred to herein as "Party" or "Parties."

PART 1. INTRODUCTION AND SUMMARY:

This Report discloses the results of an electronic search of specified government lists ("Databases") containing real property tax information and geographic data concerning the Residential Property. To understand the information provided, please read this entire Report.

The Residential Property:

- A. IS IS NOT Subject to one or more Mello-Roos Community Facilities Districts.
- B. IS IS NOT Subject to one or more 1915 Bond Act Assessment Districts.
- C. IS IS NOT Subject to other direct assessments.
- D. IS IS NOT Subject to SRA Fire Prevention Fee

For more detailed information as to the foregoing determinations, please review Part 2, Part 3 and Part 7.

THIS IS A DATABASE REPORT ONLY: This Report only provides information derived from County Tax Assessor's Databases ("Databases") identified in this Report. While JCP-LGS has made good faith efforts to report from the Databases as accurately as possible, the quality, accuracy, and currency ("Database Date") of the information contained in these Databases can vary greatly. For more information regarding a specific Database, please read Part 2 of this Report.

LIABILITY PROTECTIONS: Upon consummation of the sale of the Residential Property to Buyer ("Sale Date"), the Parties involved in that sale are protected against loss caused by an error in this Report as specified in Part 8 entitled "Methods and Limitations." The Parties understand that this is a report product and not an insurance policy.

This Report satisfies Seller's obligations to disclose (a) Mello-Roos and 1915 Act Bond Assessments applicable to the Residential Property as required by California Civil Code Section 1102.6b, and (b) Supplemental Taxes as required by California Civil Code Section 1102.6c.

BUYER'S ACKNOWLEDGEMENT

Buyer(s) acknowledge(s) receipt of this California Property Tax Disclosure Report™ as well as the Notice of Special Tax and Assessment contained herein by his/her/their signature(s) on the Acknowledgement of Receipt form that is a part of this report package.



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PART 2. CURRENT TAX BILL SUMMARY

The following is a summary of Database information obtained from 2010-2011 ("Database Date") secured property tax roll issued by SAN FRANCISCO County. It is provided for informational purposes only. Ad valorem tax assessments are calculated annually based on the assessed value of the land and improvements. Upon transfer of ownership, the assessed value will be reset to the sale price which can result in a substantial change in the taxes assessed. Please see Parts 5 and 6 of this Report for more information regarding ad valorem taxes and supplemental taxes.

Total Assessed Value:	\$1,303,000
1 st Installment Due 11/01/2010	\$ 7,702.38
2 nd Installment Due 03/01/2011	\$ 7,702.38
Total Annual Tax Liability	\$ 15,404.76

GENERAL AD VALOREM TAXES

ASSESSMENT TYPE	AMOUNT	CONTACT PHONE
GENERAL AD VALOREM TAX AND VOTER APPROVED BONDS	\$ 15,166.92	415-554-4400

OTHER DIRECT ASSESSMENTS

ASSESSMENT TYPE	DESCRIPTION	AMOUNT	CONTACT PHONE
SPEC LIEN	SF - TEACHER SUPPORT	\$ 205.64	(415) 355-2203

MELLO-ROOS ASSESSMENTS

ASSESSMENT TYPE	DESCRIPTION	AMOUNT	CONTACT PHONE
MELLO ROOS COMMUNITY FACILITY DIST	SFUSD CFD 90-1	\$ 32.20	(415) 241-6480

1915 BOND ACT ASSESSMENTS

This property is not subject to 1915 Bond Assessment Districts

SRA FIRE PREVENTION FEE

This property is not subject to SRA Fire Prevention Fee



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PART 3. NOTICE OF SPECIAL TAX/ASSESSMENT

TO THE PROSPECTIVE PURCHASER OF THE RESIDENTIAL PROPERTY KNOWN AS:

Parcel Number: 3627-045
Property Address: 3647 22ND ST , SAN FRANCISCO, SAN FRANCISCO COUNTY, CA
Report Date: 09/14/2011

THIS IS A NOTIFICATION TO BUYER PRIOR TO PURCHASING THE RESIDENTIAL PROPERTY.

A. Mello-Roos Community Facilities Districts:

If the Residential Property is within the Mello-Roos community facilities district listed below, it is subject to a special tax that will appear on the property tax bill. This special tax is in addition to the ad valorem property taxes and any other charges and benefit assessments that will be itemized on the property tax bill and the proceeds of this tax or assessment are used to provide public facilities or services that are likely to particularly benefit the real property. This special tax may not be imposed on all parcels within the city or county where the property is located.

The current tax levy, maximum tax levy, the maximum tax escalator, and the authorized facilities and/or services which are being paid for by the special taxes are indicated below. THE BUYER SHOULD TAKE THIS TAX AND THE BENEFITS FROM THE PUBLIC FACILITIES AND SERVICES FOR WHICH IT PAYS INTO ACCOUNT IN DECIDING WHETHER TO BUY THE RESIDENTIAL PROPERTY.

Note: If "yes" is marked under Accelerated Foreclosure, please see Part 4 for more detailed information.

Mello-Roos Assessment Districts Applicable to the Residential Property

AGENCY	FACILITIES AND/OR SERVICES	START DATE / MATURITY DATE	CURRENT TAX LEVY	MAX TAX LEVY
SFUSD CFD 90-1	REPAIR, RESTORATION AND REPLACEMENT OF FACILITIES DAMAGED BY EARTHQUAKE. SENIOR EXEMPTION AVAILABLE.	1990/1991 2030/2031	\$ 32.20	\$32.20 PER SFD, \$16.10 PER MFD
MAX. TAX ESCALATOR	CONTACT	PHONE NUMBER	ACCELERATED FORECLOSURE (YES OR NO)	
0%	SFUSD	(415) 241-6480	YES	

Database Date: 2010-2011

B. 1915 Bond Act Assessment Districts:

If the Residential Property is within a 1915 Bond assessment-district listed below, this assessment district has issued bonds to finance the acquisition or construction of certain public improvements that are of direct and special benefit to



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all real property within the assessment district. The bonds will be repaid from annual assessment installments against the property within the assessment district.

Annual assessment installments of such an assessment district will appear on the real property tax bills and are in addition to the ad valorem property taxes and any other charges and levies that will be itemized on the property tax bill. If the assessment installments are not paid when due each year, the Residential Property may be foreclosed upon and sold.

The annual assessment installment against the Residential Property and the public facilities that are being financed by the proceeds from the sale of bonds that are being repaid by the assessments are indicated below.

THE BUYER SHOULD TAKE ANY ASSESSMENT(S) AND THE BENEFITS FROM THE PUBLIC FACILITIES FOR WHICH IT PAYS INTO ACCOUNT IN DECIDING WHETHER TO BUY THE RESIDENTIAL PROPERTY.

This property is not subject to 1915 Bond Assessment Districts

A COPY OF THE RESOLUTION CONFIRMING ASSESSMENTS THAT SPECIFIES MORE PRECISELY HOW THE ASSESSMENTS ARE APPORTIONED AMONG PROPERTIES IN THE ASSESSMENT DISTRICT CAN BE OBTAINED BY CALLING THE CONTACT NAME AND NUMBER LISTED ABOVE. THERE MAY BE A CHARGE FOR THIS DOCUMENT NOT TO EXCEED THE ESTIMATED REASONABLE COST OF PROVIDING THE DOCUMENT

C. Available Senior Citizen Exemptions

Certain districts that levy special assessments may offer exemptions to Senior Citizens. These exemptions can result in substantial savings to qualified tax payers. The filing of an application along with annual renewal may be required. Below is the contact information for requesting exemption filing details for districts that may offer a Senior Citizen Exemption. Additional Direct Assessment Districts may offer exemptions. Therefore you may want to contact the districts to determine their policy on Senior Citizen Exemptions

Agency	Description	Levy Amount	Contact Phone
SFUSD CFD 90-1	Repair, restoration and replacement of facilities damaged by earthquake. Senior exemption available.	\$ 32.20	(415) 241-6480



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PART 4. ACCELERATED FORECLOSURE INFORMATION

Certain assessment or bond issues may contain accelerated foreclosure liens which have priority over other real property taxes and are a legal right included as part of the security for the obligation. The issuers of such bonds are often contractually required to monitor and collect delinquent assessments quickly. Accordingly these assessments are not subject to the five (5) year waiting period applicable to ad valorem real property taxes. If the real property is subject to such an assessment and the taxes are not paid promptly, the real property may be foreclosed upon and sold at public auction on an expedited basis. **Therefore, it is extremely important that the real property tax bill be paid on time to prevent the accelerated foreclosure.**

If the Residential Property is subject to an assessment or bond issue with an accelerated foreclosure lien, the detailed information is disclosed below.

A. Mello-Roos Community Facility Districts

AGENCY	CHARGE AMOUNT	Contact Phone
SFUSD CFD 90-1	\$ 32.20	(415) 241-6480

B. 1915 Bond Act Assessment Districts

This property is not subject to a 1915 Bond Act Assessment District Tax containing an accelerated foreclosure provision.



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PART 5. AD VALOREM TAX INFORMATION

A. TAX BILL INFORMATION AS OF REPORT DATE

As of the Report Date, the following is a summary of the current year secured real property tax bill applicable to the Residential Property and is provided ***for informational purposes only***. Ad valorem taxes are calculated annually based on the assessed value of the land and improvements. When a parcel of real property is sold, the assessed values are reset to the sales price. Ad valorem taxes *can increase dramatically if the sales price differs from the current assessed value of the real property!* Also certain exemptions and exclusions may be available to the existing owner which may not be available to Buyer.

Ad Valorem Taxes (Historical information only based on Seller's current tax bill)

AGENCY	DESCRIPTION	CONTACT NAME	CONTACT PHONE	AMOUNT
SAN FRANCISCO COUNTY	GENERAL AD VALOREM TAX AND VOTER APPROVED BONDS	SAN FRANCISCO COUNTY TREASURER	415-554-4400	\$ 15,166.92

Buyer is advised that the foregoing information is of general interest only and will not be applicable to the Buyer. Upon acquisition of the Residential Property, Buyer may be subject to increased ad valorem taxes based on the sales price of the Residential Property. Please see the subsection B below to calculate the estimated ad valorem taxes applicable after the sale.



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B. CALCULATING PROPERTY TAXES AFTER SALE (ESTIMATE ONLY)

PROPERTY TAX ESTIMATOR

The following calculation method is provided to assist Buyer in *estimating* the approximate amount of the ad valorem taxes that the Residential Property will be for the 2010-2011 (tax year) based on the assessed valuation being equal to the sales price. The amount derived is only an estimate and is not a substitute for a tax bill from the County, nor does it anticipate new property tax charges, fees or other changes in the property tax rates for the new tax year. Please see subsection D below for general information about Ad Valorem Taxes.

1	Estimated Sales Price	•	1	\$	_____
2	Estimated Ad Valorem Tax Rate	•	2	<u>0.01164</u>	
3	Multiply line 1 by line 2. This is your Estimated Ad Valorem Tax.....	•	3	\$	_____
4	Mello Roos, 1915 Bonds, and/or Other Direct Assessments	•	4	<u>\$237.84</u>	
5	Add lines 3 and 4. Total Estimated Annual Tax Amount After Sale	•	5	\$	_____

The information in this subparagraph B is an estimate only. The purpose of this "ESTIMATOR" is to assist Buyer in planning for ad valorem taxes which will be applicable after the Sale Date. This "ESTIMATOR" requires the Buyer's projection of the purchase price of the Residential Property. Please note that potential exemptions and exclusions are not reflected in this estimate. JCP-LGS is not responsible or liable for any losses, liabilities or damages resulting from use of this Property Tax Estimator.

C. EXEMPTIONS & EXCLUSIONS TO AD VALOREM TAXES

California law provides certain exemptions from reassessments. The following is a list of common exemptions which may be available:

- Homeowner exemption (California Constitution Art XIII, §3 & R&T Code §218)
- Honorably discharged veterans (California Constitution Art XIII, §3 & R&T Code §205)
- Disabled veterans (California Constitution Art XIII, §4 & R&T Code §205)

California law also provides certain exclusions from reassessment. The following is a list of common exclusions which may be available:

- Persons over 55 years of age (R&T Code § 69.5)
- Severely and permanently disable persons (R&T Code § 69.5(a))
- Transfers between parents and children and grandparents and grandchildren (R&T Code § 63.1)
- Transfers into revocable trusts (R&T Code § 62)
- Interspousal transfers (R&T Code § 63)
- Improvements for seismic retrofitting (R&T Code § 74.5)
- Improvements for disabled access (R&T Code § 74.3)
- Replacement of property damaged or destroyed by disaster (R&T Code § 69)

In order to determine if Buyer may qualify for any exemptions or exclusions or to obtain a comprehensive list of available exemptions and exclusions, please contact the county tax assessor's office (415-554-4400) or visit the county website at <http://services.sfgov.org/pbc/intro.asp>. Additional information is also available on the website for the California Board of Equalization at www.boe.ca.gov



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D. GENERAL INFORMATION REGARDING AD VALOREM TAXES

County assessors must value property in accordance with the California Constitution and the California Revenue & Taxation Code and related laws and regulations.

Full cash value, also known as "market value" or "fair market value," means the amount of cash or its equivalent which property would bring if exposed for sale in the open market.

A property's "base year value," for real property assessed under Proposition 13, is the property's full cash value as of the date of the latest change in ownership or completion of new construction.

An "adjusted base year value" (sometimes also referred to as the "factored base year value") is the property's base year value adjusted by an annual inflation factor, not to exceed two percent (2%) per year.

Taxable value is the value upon which the base property taxes are calculated. For most real property, this is the adjusted base year value or the property's current market value, whichever is lower.

The assessment roll is the official list of all assessable property in the county.

The lien date is the "moment" of valuation for all property. Annually, the taxable status and value of property is determined as of 12:01 a.m. on January 1. The fiscal tax year runs from July 1 to June 30.

Proposition 13 limits the general property tax rate to one percent (1%) of the assessed value, plus an amount for the debt service on any bonds approved by popular vote. The tax rate will vary depending upon where the property is located.

For more information regarding your tax bill we invite you to visit our website at:
<http://www.disclosures.com/sites/default/files/fanhdtdisclosureaddendum.pdf>

PART 6. SUPPLEMENTAL TAX INFORMATION

A. SUPPLEMENTAL TAX DISCLOSURE

The following notice is mandated by California Civil Code Section 1102.6c:

NOTICE OF YOUR 'SUPPLEMENTAL' PROPERTY TAX BILL

"California property tax law requires the Assessor to revalue real property at the time the ownership of the property changes. Because of this law, you may receive one or two supplemental tax bills, depending on when your loan closes.

The supplemental tax bills are not mailed to your lender. If you have arranged for your property tax payments to be paid through an impound account, the supplemental tax bills will not be paid by your lender. It is your responsibility to pay these supplemental bills directly to the Tax Collector.

If you have any question concerning this matter, please call your local Tax Collector's Office."



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B- CALCULATING SUPPLEMENTAL TAXES AFTER SALE (ESTIMATE ONLY)

SUPPLEMENTAL TAX ESTIMATOR

The following schedule is provided to *estimate* the potential amount of the supplemental taxes on a given property and does **NOT** include the amount of the regular annual ad valorem property tax. The following calculation provides an estimate of the supplemental property taxes that can be expected during the first year of ownership, and should be used for planning purposes only.

- 1 Estimated Sales Price..... • 1 \$ _____
- 2 Estimated Current Assessed Value • 2 \$1,303,000
- 3 Subtract line 2 from line 1.
Estimated Supplemental Assessed Value • 3 \$ _____
- 4 Multiply line 3 by 0.01164. (The Estimated Ad Valorem Tax Rate
for the Residential Property)
Estimated Full-Year Supplemental Tax Obligation • 4 \$ _____

If the Sale Date for the Residential Property falls during the months of January through May, Buyer will receive **TWO** supplemental tax bills: (a) one for the current partial tax year; and (b) one for the next full tax year. The supplemental taxes can be estimated by completing lines 5 through 8 below:

- 5 Enter the Month-of-Sale Factor from TABLE 1 below..... • 5 _____
- 6 Multiply line 4 by line 5.
Estimated Supplemental Tax Bill # 1 • 6 \$ _____
- 7 Enter the amount on line 4.
Estimated Supplemental Tax Bill # 2 • 7 \$ _____
- 8 Add lines 6 and 7. Total estimated Supplemental Tax Bill..... • 8 \$ _____

If the Sale Date for the Residential Property falls during the months of June through December, Buyer will receive **ONE** supplemental tax bill. The supplemental tax can be estimated by completing lines 9 and 10 below:

- 9 Enter the Month-of-Sale Factor from TABLE 2 below..... • 9 _____
- 10 Multiply line 4 by line 9.
Total Estimated Supplemental Tax Bill • 10 \$ _____

TABLE 1. Month-of-Sale Factor

Jan	0.4167
Feb	0.3333
Mar	0.2500
Apr	0.1667
May	0.0833

TABLE 2. Month-of-Sale Factor

Jun	1.0000
Jul	0.9167
Aug	0.8333
Sep	0.7500
Oct	0.6667
Nov	0.5833
Dec	0.5000

The information in this subparagraph B is an estimate only. The purpose of this "ESTIMATOR" is to assist Buyer in planning for the supplemental taxes. The estimated supplemental tax is not a substitute for the supplemental bill and may not be relied upon as such. This "ESTIMATOR" requires the Buyer's projection of the purchase price of the Residential Property as well as month in which the transaction will be consummated. Please note that potential exemptions and exclusions are not reflected in these estimations. JCP-LGS is not responsible or liable for any losses, liabilities or damages resulting from use of this Supplemental-Tax Estimator.



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C. GENERAL INFORMATION REGARDING SUPPLEMENTAL TAXES

California law mandates the county assessor to reappraise real property upon a change in ownership or completion of new construction. The assessor's office issues a supplemental assessment which reflects the difference between the prior assessed value and the new assessment. This value is prorated based on the number of months remaining in the fiscal tax year which ends June 30.

Notices of the supplemental assessment are mailed out to the property owners prior to the issuance of the supplemental tax bill or refund if the value is reduced. The taxes or refund based on the supplemental assessment are in addition to the regular annual tax bill.

The supplemental tax will be due from the current owner in addition to the regular tax assessment. Accordingly for the first year of ownership, Buyer should plan for this additional payment.

PART 7. STATE RESPONSIBILITY AREA FIRE PREVENTION FEE

Pursuant to Chapter 1.5 (commencing with Section 4210) to Part 2 of Division 4 of the Public Resources Code, the State of California shall charge an annual "Fire Prevention Fee" on each eligible habitable structure on a parcel that is within a State Responsibility Area ("SRA") as defined in Section 4102 of the Public Resources Code, commencing with the 2011-2012 fiscal year. For an explanation of the SRA, refer to Page 9 of the Natural Hazard Disclosure Report, under "Wildland Fire Area (State Responsibility Area)". Fee Amounts and Fee Exemptions below are itemized in emergency regulations adopted August 22, 2011 by the State Board of Forestry and Fire Protection ("Board"). These regulations are temporary (valid up to 180 days) and may be subject to change.

Fee Amount: The Fire Prevention Fee, in an amount not to exceed one hundred fifty dollars (\$150), shall be charged on each dwelling on a parcel within an SRA that is used or intended to be used for human habitation, including but not limited to a mobilehome or manufactured home. Habitable structures below minimum value of \$5,000.00 are exempt from this fee. This is not a "per parcel" fee, but a levy on each structure (if any) on the parcel which the State determines to be habitable. The fee per permanent habitable structure on a parcel shall be \$90 if the Property is located within a High or Very High Fire Hazard Severity Zone for SRA, \$70 if within a Moderate Fire Hazard Severity Zone for SRA. For parcels containing 3 or more dwelling units, the fee shall be \$25 for each additional unit beyond the first.

Fee Exemptions: Property owners may receive fee exemptions of up to \$65 per year as follows: Property owners required to pay a local fire protection fee, that supports a local fire prevention program, may receive a reduction of \$45. In addition, property owners whose habitable structures have been inspected by the Department of Forestry and Fire Protection, and who have received a notice of compliance that is 4 years old or less, may receive a reduction of \$10. Finally, if the county in which the property is located (a) has adopted "Fire Safe Regulations" certified by the Board or its Fire Safe Regulations AND (b) a General Plan Safety Element that has been certified by the Board, then the property owner may receive a fee reduction of \$10.

Date Due and Late Payment Penalties

The fee shall be collected annually by the State Board of Equalization ("BOE"), and is due and payable 30 days from the date of assessment by the BOE. If not paid when due and payable, a penalty of twenty percent (20%) of the fee determined to be due shall be added to the amount due and payable for EACH 30-day period in which the fee remains unpaid.



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The fees collected, other than that retained by the BOE necessary for payment of refunds and expenses incurred in the collection of the fee, shall be deposited into the State Responsibility Area Fire Prevention Fund in the State Treasury. This Fund shall be used by the Board and CalFire to finance the cost of specified fire prevention activities that will benefit the owners within the SRA who are required to pay the fee, including such activities as public education programs and local fire prevention projects to reduce fire risk in SRAs.

On July 1, 2013, and annually thereafter, the Board shall adjust the annual amount of the Fire Prevention Fee to reflect the percentage of change in the average annual value of a specified standard price index as reported by the Department of Finance. Commencing with the 2012-13 fiscal year, if there are sufficient amounts of moneys in the SRA Fire Prevention Fund to finance the costs of specified fire prevention activities for a fiscal year, the BOE would be prohibited from collecting the fee for that fiscal year.

Appeals Process: A person from whom the Fire Prevention Fee is to be due may petition for a redetermination of whether this fee requirement applies to the Property. To appeal, the owner must submit within 30 days after the date of service of the determination a written petition stating the specific grounds upon which the appeal is founded and include supporting documentation. The petition must be sent to CalFire, the State Board of Forestry and Fire Protection, and the State Board of Equalization.

Database Date: May 2011

This property is not located in a State Responsibility Area.

PART 8. TRANSFER FEE/TAX ADVISORY: Governmental and Private Assessments Paid at the Close of Escrow

- **Private Transfer Fee.** This is a fee imposed by a private entity such as a property developer, home builder, or homeowner association, when a property within a certain type of subdivision is sold or transferred. (It is commonly known as a "Private Transfer Tax".) It is NOT the same as a city or county Documentary Transfer Tax. A Private Transfer Fee may apply in addition to government Documentary Transfer Taxes that are due upon sale or transfer of the Property.
- **Documentary Transfer Tax.** This is a government tax imposed by a city or county when a property within the jurisdiction is sold or transferred. (It is commonly known as a "Real Estate Transfer Tax".) It is NOT the same as a Private Transfer Fee, which may be imposed by a private entity such as a property developer, home builder, or homeowner association.

A. PRIVATE TRANSFER FEES – DISCLOSURE REQUIRED EFFECTIVE JAN. 1, 2008

Transfer Fee Defined. California Civil Code Section 1098 defines a "Transfer Fee" as "any fee payment requirement imposed within a covenant, restriction, or condition contained in any deed, contract, security instrument, or other document affecting the transfer or sale of, or any interest in, real property that requires a fee be paid upon transfer of the real property." Certain existing fees such as governmental fees, court ordered fees, mechanic lien fees, common interest development fees, etc. are specifically excluded from the definition of "Transfer Fee."

It is estimated that fewer than 1 in 10 California homes is subject to a Private Transfer Fee. To determine if the Property is subject to a Transfer Fee, OBTAIN COPIES OF ALL OF THE EXCEPTIONS LISTED ON THE PRELIMINARY (TITLE) REPORT FROM THE TITLE COMPANY AND READ THEM TO DETERMINE IF ANY TRANSFER FEES ARE APPLICABLE.



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Effective January 1, 2008, if the payment of any Transfer Fee is required in the sale or transfer of the Property, Civil Code Section 1102.6e requires Seller to notify Buyer of the existence of the fee and to disclose certain specific information about the fee.

Content of Disclosure. Civil Code Section 1102.6e requires the Seller to disclose specific information about any Transfer Fee that may affect the Property. If a Private Transfer Fee affects the Property, refer to C.A.R. Form NTF (11/07), provided by the California Association of Realtors®, for a standard format to use in making the Transfer Fee disclosure.

How to Determine the Existence of a Transfer Fee. If a Transfer Fee does exist affecting the Property, the document creating the fee may be on file with the County Recorder as a notice recorded against the Property and should be disclosed in the preliminary (title) report on the Property. However, the preliminary (title) report will merely disclose the existence of the documents affecting title, not the content of the documents. The title of a document may also not be sufficient to disclose that a Transfer Fee is included in its terms. Accordingly Seller should (a) request the title company which issued the preliminary (title) report to provide copies of the documents shown as "exceptions," and (b) review each document to determine if it contains a Transfer Fee.

Parties are advised that documents regarding any Transfer Fee should be obtained early in the sale process in order to avoid delays in the transaction process and to ensure full disclosure as required by law.

B. DOCUMENTARY TRANSFER TAXES

Transfer Tax Defined. Under California Revenue and Taxation Code Sections 11911-11929, counties and cities are authorized to impose a tax on the transfer of real property located within their jurisdiction. The tax is commonly known by various names, including the Documentary Transfer Tax, or Real Property Transfer Tax, or Real Estate Transfer Tax (hereinafter, the "Transfer Tax").

How Much? The "one-time" payment is made at the close of escrow and routinely documented on the HUD-1 Settlement Statement. The amount of the Transfer Tax is typically based on the value or sales price of the real estate that is transferred. The county rate is one dollar and ten cents (\$1.10) for each one thousand dollars (\$1,000) of value. The rate for non-charter ("general law") cities is one-half of the county rate and is credited against the county tax due. Charter cities may impose a Transfer Tax at a rate higher than the county rate.

For any city or county in California, the Transfer Tax rate ("Tax Rate Table") is available at no charge from many sources, most conveniently on the website of the **California Local Government Finance Almanac** (sponsored by the California League of Cities):
<http://www.californiacityfinance.com/PropTransfTaxRates.pdf>

To estimate the Transfer Taxes for the Property, multiply the Property's estimated sales price (in thousands of dollars) by the amount shown in the Tax Rate Table for the city and county in which the Property is located.

Who Pays? The law states that, "the Transfer Tax must be paid by the person who makes, signs or issues any document subject to the tax, or for whose use or benefit the document is made, signed or issued." In practice, this means that the payment of the Transfer Tax is customarily made by the Seller or the Buyer, or shared by both, depending on the jurisdiction in which the transferred Property is located.

PART 9. METHODS AND LIMITATIONS -- PLEASE READ!

This Part will summarize (a) the methods used in creating this Report, (b) the limitations with respect to the data provided, and (c) the responsibilities and liabilities of JCP-LGS under this Report. Please read this entire Part 8 carefully to understand the limitations of this Report and JCP-LGS's responsibilities.



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A. LIMITATIONS ON TAX INFORMATION

JCP-LGS has accurately reported the information in the Databases as of the dates of each Database as specified in Part 2 ("Database Dates"). With respect to the Databases, it is important to understand that:

- The Databases may not be accurate, current, fully detailed, or complete.
- A parcel of real property may be subject to an assessment district that has been approved but not created as of the Report Date.
- Changes may have occurred in the Databases since the Database Date specified above.
- There may be other governmental databases with relevant information which are not included in this Report.
- Personal property taxes are not included in this Report.
- Supplemental taxes can be assessed based on improvements to the real property after they have been completed and the assessor becomes aware of same. Supplemental taxes are not included in the Databases.
- Assessment districts which have been created but not funded are not included.

B. JCP-LGS DOES NOT CONSTANTLY CHECK DATABASES FOR CHANGES

Each Database used in this Report is updated by the applicable governmental agency at various intervals as determined by that agency having responsibility for the database ("Responsible Agency") and may be made at any time and without notice. JCP-LGS maintains an update schedule and makes reasonable efforts to use updated information but it cannot feasibly do so on a constant basis, and the complexities of obtaining and adapting the data into a usable format for preparing this Report necessitates some delay once the updated information is obtained. For these reasons, JCP-LGS reports information as of the date when the Database was last updated by JCP-LGS which specific date is specified as the "Database Date" for each Database in Part 2.

C. LIMITATIONS IN THIS REPORT

JCP-LGS does not make any representations as to:

- The accuracy, validity or completeness of the Databases.
- Any information in a Database after the Database Date for that Database.
- Any information regarding the Residential Property after the Report Date.

This Report only provides information electronically derived from the Databases in accordance with the Methods and Limitations.

D. ONLY THE PARTIES MAY RELY ON THIS REPORT

This Report is valid, the Parties may rely on the Report, and a contract is formed with JCP-LGS, **only** upon receipt by JCP-LGS of payment of the full price of the Report.

This Report may be relied upon only by the Parties to the transaction for which it has been purchased. This Report cannot be relied upon (a) by any persons other than Seller, Buyer and their Agents, (b) for any other real property, or (c) for any future transactions involving the Residential Property. The price paid for the Report does not include any amounts for protection of such other parties.

E. LIMITATIONS ON JCP-LGS'S LIABILITY

Given the limited nature of this Report, and the fact that JCP-LGS is reporting, not assuming liability, JCP-LGS is not responsible for:

- Any inaccuracies or incompleteness of the information in the Databases.
- Inaccurate address information provided for the Residential Property.



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- Any other information not contained in the specified Databases.
- Any information known by one of the Parties.
- Any changes to the information in the Databases after the Database Date.

This Report is not an insurance policy and does not provide the same protections as an insurance policy. It does not obligate JCP-LGS to defend any Party against any claims, and JCP-LGS shall not have any duty to defend against any claims pursuant to California Civil Code § 2778 or otherwise. The price of this Report has not been based upon any responsibility for defense costs, nor for assumption of all tax liability. The premium for an insurance product would be significantly greater than the cost of this Report. The Parties acknowledge that claims for damages beyond actual losses can significantly increase the costs of Reports and make prompt resolution of claims more difficult. In order to induce JCP-LGS to provide this Report for the price charged, and to help streamline the process of resolving any disputes between the Parties and JCP-LGS, Buyer, Seller and Agents agree that if there is a material error or omission in this Report:

- **The Party who suffers damages as a result of such error or omission shall be entitled at most to recover from JCP-LGS the actual proved damages measured by the difference in the fair market value of the Residential Property as of the Report Date, caused by the error or omission but not in excess of the present value of the total tax amount under-reported which would payable for a five (5) year period.**
- **JCP-LGS shall not be liable for indirect, consequential, or punitive damages (including, but not limited to, emotional distress or pain and suffering).**

JCP-LGS shall not be liable to a Party for any matters known to that Party or its Agent (including errors in this Report) and not disclosed in writing to both the other Parties and JCP-LGS prior to the date the Residential Property is sold by Seller to Buyer.

F. SELLER AND SELLER'S AGENT'S RESPONSIBILITY OF FULL DISCLOSURE

Sellers of real property and their Agents should always fully disclose all material facts regarding the real property which they are selling. Regardless of the information in this Report, if Seller or Seller's Agent has any actual knowledge of tax information potentially affecting the Residential Property, that information should be promptly disclosed in writing to the Buyer and the Buyer's Agent.

G. OTHER AGREEMENTS

This Report sets forth the complete, integrated agreement between JCP-LGS and the Parties. Evidence of prior or contemporaneous statements, representations, promises or agreements shall not be admissible to vary the terms of this written agreement. This agreement may not be changed or amended except by a written document signed by an authorized representative of JCP-LGS and the Parties. In the event that any dispute arises between JCP-LGS and any Parties arising out of or relating to this Report or its subject matter, or any act or omission of JCP-LGS, the prevailing party shall be entitled to recover his, her or its reasonable costs, including attorneys' fees, from the losing party.

If any provision of this Report, or its application to any circumstance, is held to be invalid, unenforceable, or void, the remainder of this Report shall remain in full force and effect and enforced to the fullest extent possible.

END OF REPORT