



## CITY COUNCIL SPECIAL MEETING AGENDA

Tuesday, September 16, 2014 at 6:00 PM  
City Council Chambers  
701 Laurel Street, Menlo Park, CA 94025

**ROLL CALL** – Carlton, Cline, Keith, Mueller, Ohtaki

### **PUBLIC COMMENT**

Under “Public Comment” the public may only address the Council on the subject listed on the agenda. Each speaker may address the Council once under Public Comment for a limit of three minutes. Please clearly state your name and address or political jurisdiction in which you live.

### **SPECIAL BUSINESS**

- Consider adoption of a Resolution approving purchase of two duplex properties (total of 4 units) located at 1175 and 1177 Willow Road, Menlo Park, California from Church of the Pioneers Foundation, for a total of \$1.125 million, ratifying the Residential Income Property Purchase Agreement and Joint Escrow Instructions, appropriating \$1.150 million for the purchase of the property from the Below Market Rate Fund, and authorizing the City Manager or Assistant City Manager to accept the Grant Deed for the property and to execute any other documents necessary to complete such purchase ([Staff report #14-172](#))

### **COUNCILMEMBER REPORTS**

- Report Out from Subcommittee on International Friendship Agreements and/or Sister City Agreements

### **ADJOURNMENT**

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At every Special Meeting of the City Council, members of the public have the right to directly address the City Council on any item listed on the agenda at a time designated by the Mayor, either before or during consideration of the item.

Any writing that is distributed to a majority of the City Council by any person in connection with an agenda item is a public record (subject to any exemption under the Public Records Act) and is available for inspection at the Office of the City Clerk, Menlo Park City Hall, 701 Laurel Street, Menlo Park, CA 94025 during regular business hours. Members of the public may send communications to members of the City Council via the City Council’s e-mail address at [city.council@menlopark.org](mailto:city.council@menlopark.org). These communications are public records and can be viewed by any one by clicking on the following link: <http://ccin.menlopark.org>.

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# OFFICE OF THE CITY ATTORNEY

Council Meeting Date: September 16, 2014  
Staff Report #: 14-172

## **SPECIAL BUSINESS:**

**Consider Adoption of Resolution Approving Purchase of Two Duplex Properties (total of 4 units) Located at 1175 and 1177 Willow Road, Menlo Park, California from Church of the Pioneers Foundation, for a Total of \$1.125 Million, Ratifying the Residential Income Property Purchase Agreement and Joint Escrow Instructions, Appropriating \$1.150 million for the Purchase of the Property from the Below Market Rate Fund, and Authorizing the City Manager or Assistant City Manager to Accept the Grant Deed for the Property and to Execute any other Documents Necessary to Complete such Purchase**

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## **RECOMMENDATION**

Staff recommends that the City Council consider adoption of the resolution approving the purchase of two duplex properties (total of 4 units) located at 1175 and 1177 Willow Road, Menlo Park, California ("Property") from Church of the Pioneers Foundation ("CPF"), for a total of \$1.125 Million, ratifying the Residential Income Property Purchase Agreement and Joint Escrow Instructions ("Agreement"), appropriating \$1.150 Million for the purchase of the property from the Below Market Rate Fund, and authorizing the City Manager or Assistant City Manager to accept the Grant Deed for the Property and to execute any other documents necessary to complete the purchase.

## **BACKGROUND**

The City Council held a closed session regarding the purchase of the Property on September 9, 2014. At that time the Council authorized the City Attorney and the City Manager to negotiate for the purchase of the Property, subject to appropriate terms and conditions and contingent upon review and approval by the Council at a Special Council meeting with outreach to the neighborhood. The Agreement that is before the City Council for approval is the result of those negotiations and has been signed by both the CPF and the Assistant City Manager, but is contingent upon City Council approval. The

City Council is in no way obligated to approve the Agreement or the purchase of the Property.

## **ANALYSIS**

The Property is located on the 1100 Block of Willow Road, bounded by Willow Road, Newbridge Street and Pierce Road. Attached is a map showing the location of the project site. On the block, there are 22 properties with 8 distinct owners, including below market rate housing owned by HIP Housing. The Property consists of two side by side duplexes on their own parcels. Each duplex has one 1-bedroom/1-bathroom unit and one 2-bedroom/1-bathroom unit. Historically, the units have been rented by CPF to employees of non-profits and the rents charged have been at below market rates. Currently, one unit is vacant and it is anticipated that the other units will be vacated shortly as they have been sent notices to vacate by CPF.

At the time the City learned of the potential opportunity to purchase the Property, the Church was in the process of listing the Property for sale with Keith Suddjian at Newmark Cornish & Carey. CPF intended to list the Property for \$1.150 Million and had comparable sales to support that list price. If the City did not move quickly, in this market, the City would have potentially lost the opportunity to acquire this Property at or below list price. CPF was willing to sell the Property to the City at lower than the anticipated list price because they could sell quickly and save on real estate fees related to the sale.

The Agreement that the City Council is being asked to approve is for the purchase the Property at a purchase price of \$1.125 Million ("Purchase Price"). This is an all cash transaction. The City's initial deposit is \$33,750 with the balance of the Purchase Price or \$1,091,250 to be paid on the close of escrow. The close of escrow is set to occur on September 30, 2014. The purchase is contingent upon the approval of the City Council. If the Council does not approve, the Agreement shall be null and void and all deposits returned to the City.

The Agreement is also contingent upon the City's receipt of an appraisal showing a value of no less than the Purchase Price. An appraiser has been engaged by the City to perform the appraisal and has been to the Property. It is anticipated that the appraiser's report will be received next week. There are no other contingencies and the City is purchasing the property in as-is condition.

The City has received a number of disclosures and reports, including a property inspection report, termite inspection report, preliminary title report, and JCP natural hazard disclosure statement. The property inspection did not reveal any life, safety issues. The condition of the units on the Property is consistent with that of a home or duplex that has not been completely renovated/updated. If the City maintains the use of the Property for BMR housing in the long-term some renovations/updates may be necessary. It is not anticipated that there would be major costs associated with

renovation of the units as the roof, structure, foundation and other major components are in good condition.

It is anticipated that in the short-term the City would use the units on the Property as below market rate housing. The City would consider extending the leases for the non-profit employees or renting to other below market rate households. In the longer-term, the City would consider whether the Property should continue to be used for below market rate housing or used as part of a reconfigured vehicle circulation plan in the vicinity of Willow/Newbridge intersection, Willow frontage road/Pierce Road connection and the 101 freeway on ramp.

## **IMPACT ON CITY RESOURCES**

After the City's most recent loan commitments to MidPeninsula and CORE Housing for affordable housing, \$5.5 Million remains available in the City's Below Market Rate Fund. The \$1.150 million that the Council is being asked to appropriate for the purchase of this Property would come from this fund. If in the future the City decided to use the Property as part of a reconfigured vehicle circulation plan, the BMR fund would be reimbursed for its costs associated with the purchase of the Property by General Fund or other sources of funding.

## **POLICY ISSUES**

The acquisition of the Property and the 4 units for below market rate housing would further the City's goal to address the community's need for housing, specifically affordable housing and would further the City's goals of planning ahead for future circulation improvements by land banking the Property.

## **ENVIRONMENTAL REVIEW**

The City Council's action to purchase the Property is not a project for purposes of the California Environmental Quality Act ("CEQA") since there is no potential for either a direct physical change in the environment or reasonably foreseeable indirect physical change from the acquisition of existing housing for use as below market rate housing. Even if it were a project, it would be categorically exempt from CEQA under CEQA Guidelines 15301 (Existing Facilities). Any future act to use the Property for a different purpose would require further environmental review at that time.

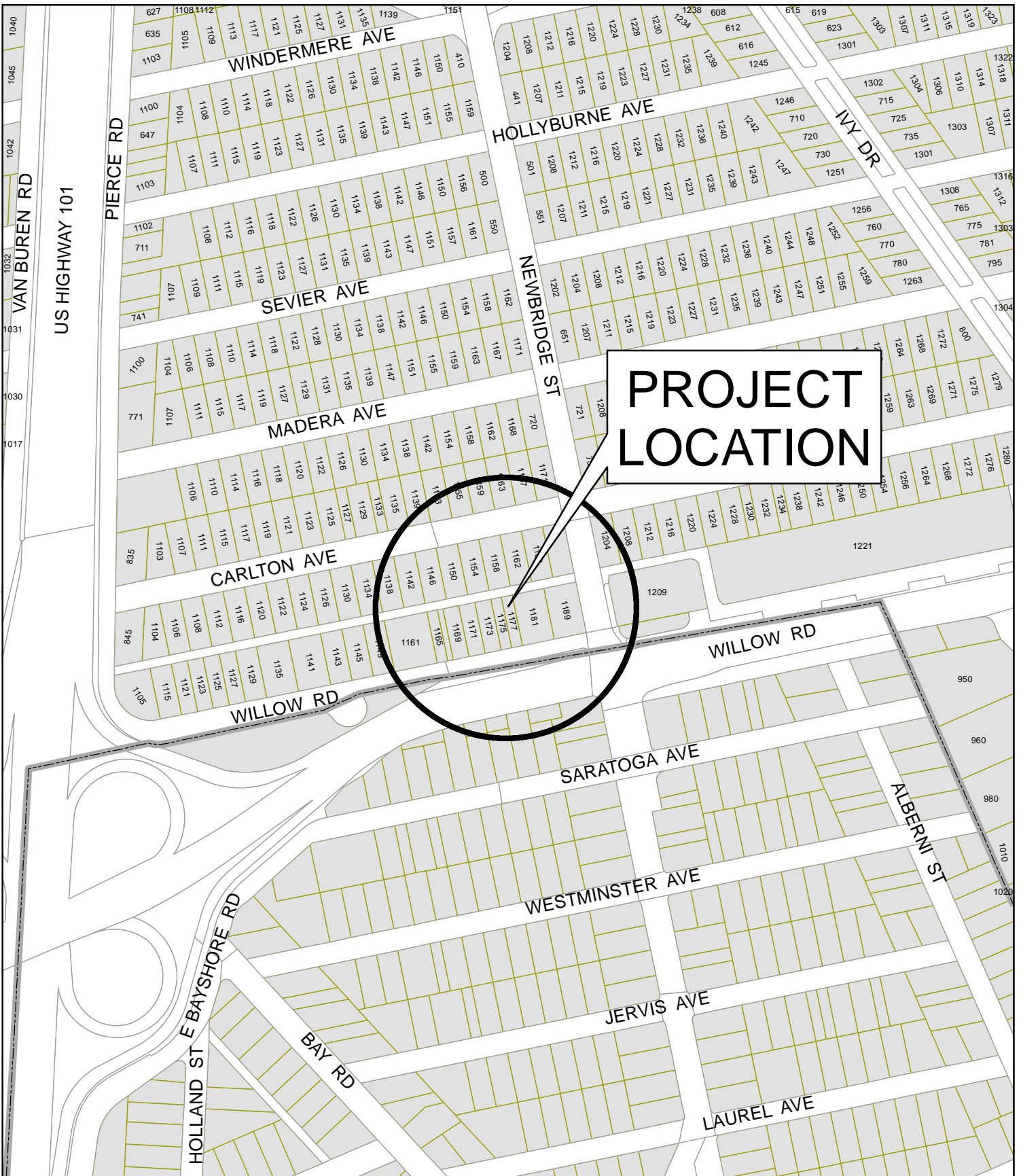
## **PUBLIC NOTICE**

Public Notification was achieved by posting the agenda, with this agenda item being listed, at least 72 hours prior to the meeting. The City staff is in the process of conducting outreach to the surrounding community. Prior to this meeting staff contacted the head of the Belle Haven Home Owner's Association and other interested individuals to provide information relative to this item.

**ATTACHMENTS**

- A. Location Map
- B. Resolution

Report prepared by:  
*William L. McClure*  
*City Attorney*



**PROJECT  
LOCATION**



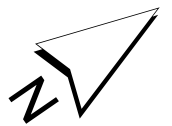
CITY OF  
MENLO PARK

# CITY OF MENLO PARK

LOCATION MAP

1175-1177 WILLOW ROAD

DRAWN: KTP CHECKED: KTP DATE: 09/12/14 SCALE: 1" = 300' SHEET: 1



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RESOLUTION NO.

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK APPROVING THE PURCHASE OF TWO DUPLEX PROPERTIES (TOTAL OF 4 UNITS) LOCATED AT 1175 AND 1177 WILLOW ROAD, MENLO PARK, CALIFORNIA FROM CHURCH OF THE PIONEERS FOUNDATION, FOR A TOTAL OF \$1.125 MILLION, RATIFYING THE RESIDENTIAL INCOME PROPERTY PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS, APPROPRIATING \$1.150 MILLION FOR THE PURCHASE OF THE PROPERTY FROM THE BELOW MARKET RATE FUND, AND AUTHORIZING THE CITY MANAGER OR ASSISTANT CITY MANAGER TO ACCEPT THE GRANT DEED FOR THE PROPERTY AND TO EXECUTE ANY OTHER DOCUMENTS NECESSARY TO COMPLETE THE PURCHASE**

**WHEREAS**, the City Council of the City of Menlo Park has read and considered that certain Residential Income Property Purchase Agreement and Joint Escrow Instructions dated September 11, 2014, between the City of Menlo Park and Church of the Pioneers Foundation for the property located at 1175 and 1177 Willow Road (“Property”); and

**WHEREAS**, there are two duplexes (total of 4 units) on the Property that have been rented at below market rates and could continue to be rented to lower income households; and

**WHEREAS**, the provision of lower income housing remains a need in Menlo Park; and

**WHEREAS**, the Below Market Rate Fund allows the purchase of units for inclusion in the BMR Program as an eligible use; and

**WHEREAS**, the City Council of the City of Menlo Park having been fully advised on the matter is satisfied that the purchase is fair and reasonable and is in the best interests of the City.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Menlo Park finds that the public interest requires entering into and hereby approves and ratifies the Residential Income Property Purchase Agreement And Joint Escrow Instructions dated September 11, 2014 attached hereto as Exhibit A and incorporated herein by this reference.

**BE IT FURTHER RESOLVED** that the City Council of the City of Menlo Park appropriates \$1.150 Million for the purchase of the Property from the Below Market Rate Fund.

**BE IT FURTHER RESOLVED** that the City Council of the City of Menlo Park authorizes the City Manager or Assistant City Manager to accept the Grant Deed for the Property and to execute any other documents necessary to complete the purchase.

I, Nicole Mariano, Deputy City Clerk of Menlo Park, do hereby certify that the above and foregoing Council Resolution was duly and regularly passed and adopted at a meeting by said Council on the sixteenth day of September, 2014, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of said City on this \_\_\_\_ day of September, 2014.

Nicole Mariano  
Deputy City Clerk



**RESIDENTIAL INCOME PROPERTY PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS**  
(C.A.R. Form RIPA, Revised 4/13)

Date: September 19, 2014

1. OFFER:
  - A. THIS IS AN OFFER FROM City of Menlo Park ("Buyer").  
 Individual(s),  A Corporation,  A Partnership,  An LLC,  An LLP,  Other Municipal Corporation
  - B. THE REAL PROPERTY TO BE ACQUIRED is described as 1175 & 1177 Willow Road, Assessor's Parcel No. 062-093-240 & 062-093-250, situated in Menlo Park, County of San Mateo, California, ("Property").
  - C. THE PURCHASE PRICE offered is One Million, One Hundred Twenty-Five Thousand (Dollars \$1,125,000.00).
  - D. CLOSE OF ESCROW shall occur on September 30, 2014 (date) (or  \_\_\_\_\_ Days After Acceptance).
2. AGENCY:
  - A. POTENTIALLY COMPETING BUYERS AND SELLERS: Buyer and Seller each acknowledge receipt of a disclosure of the possibility of multiple representation by the Broker representing that principal. This disclosure may be part of a listing agreement, buyer representation agreement or separate document (C.A.R. Form DA). Buyer understands that Broker representing Buyer may also represent other potential buyers, who may consider, make offers on or ultimately acquire the Property. Seller understands that Broker representing Seller may also represent other sellers with competing properties of interest to this Buyer.
  - B. CONFIRMATION: The following agency relationships are hereby confirmed for this transaction:  
 Listing Agent Remark Cornish & Carey (Print Firm Name) is the agent of (check one):  
 the Seller exclusively; or  both the Buyer and Seller.  
 Selling Agent None (Print Firm Name) (if not the same as the Listing Agent) is the agent of (check one):  the Buyer exclusively; or  the Seller exclusively; or  both the Buyer and Seller. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.
  - C. DISCLOSURE: If the Property contains 1-4 residential dwelling units, Buyer and Seller each acknowledge prior receipt of C.A.R. Form AD "Disclosure Regarding Real Estate Agency Relationships."
3. FINANCE TERMS: Buyer represents that funds will be good when deposited with Escrow Holder.
  - A. INITIAL DEPOSIT: Deposit shall be in the amount of \$ 33,750.00  
 (1) Buyer shall deliver deposit directly to Escrow Holder by personal check,  electronic funds transfer,  Other check within 3 business days after acceptance (or  Other 5 business days);  
 OR (2) (if checked)  Buyer has given the deposit by personal check (or  \_\_\_\_\_) to the agent submitting the offer (or to  \_\_\_\_\_). The deposit shall be held uncashed until Acceptance and then deposited with Escrow Holder (or  into Broker's trust account) within 3 business days after Acceptance (or  Other \_\_\_\_\_).
  - B. INCREASED DEPOSIT: Buyer shall deposit with Escrow Holder an increased deposit in the amount of \$ \_\_\_\_\_ within \_\_\_\_\_ Days After Acceptance, or  \_\_\_\_\_. If a liquidated damages clause is incorporated into this Agreement, Buyer and Seller shall sign a separate liquidated damages clause (C.A.R. Form RID) for any increased deposit at the time it is deposited.
  - C. LOAN(S):
    - (1) FIRST LOAN in the amount of \$ \_\_\_\_\_ This loan will be conventional financing or, if checked,  FHA,  VA,  Seller (C.A.R. Form SFA),  assumed (C.A.R. Form PAA),  subject to financing,  Other \_\_\_\_\_. This loan shall be at a fixed rate not to exceed \_\_\_\_\_ % or,  an adjustable rate loan with initial rate not to exceed \_\_\_\_\_ %. Regardless of the type of loan, Buyer shall pay points not to exceed \_\_\_\_\_ % of the loan amount.
    - (2)  SECOND LOAN in the amount of \$ \_\_\_\_\_ This loan will be conventional financing or, if checked,  Seller (C.A.R. Form SFA),  assumed (C.A.R. Form PAA),  subject to financing,  Other \_\_\_\_\_. This loan shall be at a fixed rate not to exceed \_\_\_\_\_ % or,  an adjustable rate loan with initial rate not to exceed \_\_\_\_\_ %. Regardless of the type of loan, Buyer shall pay points not to exceed \_\_\_\_\_ % of the loan amount.
    - (3) FHAVA: For any FHA or VA loan specified above, Buyer has 17 (or  \_\_\_\_\_) Days After Acceptance to Deliver to Seller written notice (C.A.R. Form FVA) of any lender-required repairs or costs that Buyer requests Seller to pay for or repair. Seller has no obligation to pay for repairs or satisfy lender requirements unless otherwise agreed in writing.
  - D. ADDITIONAL FINANCING TERMS: \_\_\_\_\_
  - E. BALANCE OF PURCHASE PRICE OR DOWN PAYMENT in the amount of \$ 1,091,250.00 is to be deposited with Escrow Holder within sufficient time to close escrow.
  - F. PURCHASE PRICE (TOTAL): \$ 1,125,000.00
  - G. VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS: Buyer (or Buyer's lender or loan broker pursuant to 3H(1)) shall, within 7 (or  \_\_\_\_\_) Days After Acceptance, Deliver to Seller written verification of Buyer's down payment and closing costs. (if checked,  verification attached.)

Buyer's Initials (AR) (\_\_\_\_\_)

Seller's Initials (CC) (\_\_\_\_\_)

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RIPA REVISED 4/13 (PAGE 1 OF 10)

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



RESIDENTIAL INCOME PROPERTY PURCHASE AGREEMENT (RIPA PAGE 1 OF 10)

Agent: Kath Suddjian Phone: (858)888-8814 Fax: \_\_\_\_\_ Prepared using zipForm® software  
 Broker: Cornish & Carey Commercial 2804 Mission College Blvd Santa Clara, CA 95064



1175 & 1177 Willow Road

Property Address: Menlo Park, CA 94025

Date: September 18, 2014

H. LOAN TERMS:

(1) LOAN APPLICATIONS: Within 7 (or  \_\_\_\_\_) Days After Acceptance, Buyer shall Deliver to Seller a letter from lender or loan broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved for any NEW loan specified in 3C above. (If checked,  letter attached.)

(2) LOAN CONTINGENCY: Buyer shall act diligently and in good faith to obtain the designated loan(s). Obtaining the loan(s) specified above is a contingency of this Agreement unless otherwise agreed in writing. Buyer's contractual obligations to obtain and provide deposit, balance of down payment and closing costs are not contingencies of this Agreement.

(3) LOAN CONTINGENCY REMOVAL:

(i) Within 17 (or  \_\_\_\_\_) Days After Acceptance, Buyer shall, as specified in paragraph 18, in writing remove the loan contingency or cancel this Agreement;

OR (ii) (if checked)  the loan contingency shall remain in effect until the designated loans are funded.

(4)  NO LOAN CONTINGENCY (if checked): Obtaining any loan specified above is NOT a contingency of this Agreement. If Buyer does not obtain the loan and as a result Buyer does not purchase the Property, Seller may be entitled to Buyer's deposit or other legal remedies.

(5) ASSUMED OR SUBJECT TO FINANCING: Seller represents that Seller is not delinquent on any payments due on any loans. If Property is acquired subject to an existing loan, Buyer and Seller are advised to consult with legal counsel regarding the ability of an existing lender to call the loan due, and the consequences thereof.

I. APPRAISAL CONTINGENCY AND REMOVAL: This Agreement is (or, if checked,  is NOT) contingent upon a written appraisal of the Property by a licensed or certified appraiser at no less than the specified purchase price. If there is a loan contingency, Buyer's removal of the loan contingency shall be deemed removal of this appraisal contingency (or,  if checked, Buyer shall, as specified in paragraph 18B(3), in writing remove the appraisal contingency or cancel this Agreement within 17 (or \_\_\_\_\_) Days After Acceptance). If there is no loan contingency, Buyer shall, as specified in paragraph 18B(3), in writing remove the appraisal contingency or cancel this Agreement within 17 (or  \_\_\_\_\_) Days After Acceptance.

J.  ALL CASH OFFER (if checked): Buyer shall, within 7 (or  \_\_\_\_\_) Days After Acceptance, Deliver to Seller written verification of sufficient funds to close this transaction. (If checked,  verification attached.)

K. BUYER STATED FINANCING: Seller has relied on Buyer's representation of the type of financing specified (including but not limited to, as applicable, amount of down payment, contingent or non contingent loan, or all cash). If Buyer seeks alternate financing, (i) Seller has no obligation to cooperate with Buyer's efforts to obtain such financing, and (ii) Buyer shall also pursue the financing method specified in this Agreement. Buyer's failure to secure alternate financing does not excuse Buyer from the obligation to purchase the Property and close escrow as specified in this Agreement.

4. ALLOCATION OF COSTS (if checked): Unless otherwise specified in writing, this paragraph only determines who is to pay for the inspection, test or service ("Report") mentioned; it does not determine who is to pay for any work recommended or identified in the Report.

A. INSPECTIONS AND REPORTS:

(1)  Buyer  Seller shall pay for an inspection and report for wood destroying pests and organisms ("Wood Pest Report") prepared by \_\_\_\_\_ a registered structural pest control company.

(2)  Buyer  Seller shall pay to have septic or private sewage disposal systems inspected \_\_\_\_\_

(3)  Buyer  Seller shall pay to have domestic wells tested for water potability and productivity \_\_\_\_\_

(4)  Buyer  Seller shall pay for a natural hazard zone disclosure report prepared by \_\_\_\_\_

(5)  Buyer  Seller shall pay for the following inspection or report \_\_\_\_\_

(6)  Buyer  Seller shall pay for the following inspection or report \_\_\_\_\_

B. GOVERNMENT REQUIREMENTS AND RETROFIT:

(1)  Buyer  Seller shall pay for smoke detector installation and/or water heater bracing, if required by Law. Prior to Close Of Escrow, Seller shall provide Buyer written statements of compliance in accordance with state and local Law, unless exempt.

(2)  Buyer  Seller shall pay the cost of compliance with any other minimum mandatory government retrofit standards, inspections and reports if required as a condition of closing escrow under any Law. \_\_\_\_\_

(3)  Buyer  Seller shall pay for installation of approved fire extinguisher(s),-sprinkler(s),-and-hose(s), if required by Law, which shall be installed prior to Close Of Escrow. Prior to Close Of Escrow, Seller shall provide Buyer a written statement of compliance, if required by Law.

(4)  Buyer  Seller shall pay for installation of drain cover and anti-entrapment device or system for any pool or spa meeting the minimum requirements permitted by the U.S. Consumer Products and Safety Commission.

C. ESCROW AND TITLE:

(1)  Buyer  Seller shall pay escrow fee \_\_\_\_\_ Escrow Holder shall be First American Title Company

(2)  Buyer  Seller shall pay for owner's title insurance policy specified in paragraph 18 \_\_\_\_\_ Owner's title policy to be issued by First American Title Company (Buyer shall pay for any title insurance policy insuring Buyer's lender, unless otherwise agreed in writing.)

D. OTHER COSTS:

(1)  Buyer  Seller shall pay County transfer tax or fee \_\_\_\_\_

(2)  Buyer  Seller shall pay City transfer tax or fee \_\_\_\_\_

(3)  Buyer  Seller shall pay Homeowner's Association ("HOA") transfer fee \_\_\_\_\_

(4)  Buyer  Seller shall pay HOA document preparation fees \_\_\_\_\_

(5)  Buyer  Seller shall pay the cost, not to exceed \$ \_\_\_\_\_, of a one-year home warranty plan, issued by \_\_\_\_\_, with the following optional coverages:

Air Conditioner  Pool/Spa  Code and Permit upgrade  Other: \_\_\_\_\_

Buyer is informed that home warranty plans have many optional coverages in addition to those listed above. Buyer is advised to investigate these coverages to determine those that may be suitable for Buyer.

(6)  Buyer  Seller shall pay for \_\_\_\_\_

(7)  Buyer  Seller shall pay for \_\_\_\_\_

Buyer's Initials (DL) ( \_\_\_\_\_ )

Seller's Initials (LeH) ( \_\_\_\_\_ )

Prepared by \_\_\_\_\_ Date \_\_\_\_\_



Willow



1175 & 1177 Willow Road

Property Address: Mano Park, CA 94025

Date: September 10, 2014

**6. CLOSING AND POSSESSION:**

- A. Buyer  intends (or  does not intend) to occupy any unit in the Property as Buyer's primary residence.
- B. Seller-occupied or vacant property: Possession shall be delivered to Buyer at 5 PM or (            AM  PM) on the date of Close Of Escrow;  on           ; or  no later than            Days After Close Of Escrow. If transfer of title and possession do not occur at the same time, Buyer and Seller are advised to: (i) enter into a written occupancy agreement (C.A.R. Form PAA, paragraph 2); and (ii) consult with their insurance and legal advisors.
- C. Tenant occupied units: Possession and occupancy, subject to the rights of tenants under existing leases, shall be delivered to Buyer on Close Of Escrow.
- D. At Close Of Escrow, (i) Seller assigns to Buyer any assignable warranty rights for items included in the sale, and (ii) Seller shall Deliver to Buyer available Copies of warranties. Brokers cannot and will not determine the assignability of any warranties.
- E. At Close Of Escrow, unless otherwise agreed in writing, Seller shall provide keys and/or means to operate all locks, mailboxes, security systems, alarms and garage door openers. If the Property is a condominium or located in a common interest subdivision, Buyer may be required to pay a deposit to the Homeowners' Association ("HOA") to obtain keys to accessible HOA facilities.

**6. SECURITY DEPOSITS:** Security deposits, if any, to the extent they have not been applied by Seller in accordance with any rental agreement and current Law, shall be transferred to Buyer on Close Of Escrow. Seller shall notify each tenant, in compliance with the California Civil Code.

**7. STATUTORY DISCLOSURES (INCLUDING LEAD-BASED PAINT HAZARD DISCLOSURES) AND CANCELLATION RIGHTS:**

**A. LEAD-BASED PAINT HAZARD DISCLOSURES:**

- (1) Seller shall, within the time specified in paragraph 16, deliver to Buyer, if required by Law, Federal Lead-Based Paint Disclosure and pamphlet ("Lead Disclosure"). If the Lead Disclosure are delivered to Buyer after the offer is Signed, Buyer shall have the right to cancel this Agreement within 3 Days After Delivery in person, or 5 Days After delivery by deposit in the mail, by giving written notice of cancellation to Seller or Seller's agent. (Lead Disclosures sent by mail must be sent certified mail or better.)
- (2) Buyer shall, within the time specified in paragraph 16, return a Signed Copy of the Lead Disclosure to Seller.

**B. NATURAL AND ENVIRONMENTAL HAZARDS:** Within the time specified in paragraph 16, Seller shall, if required by Law: (i) deliver to Buyer earthquake guides (and questionnaires) and environmental hazards booklet; and (ii) even if exempt from the obligation to provide a NHD, disclose if the Property is located in a Special Flood Hazard Area; Potential Flooding (Inundation) Area; Very High Fire Hazard Zone; State Fire Responsibility Area; Earthquake Fault Zone; Seismic Hazard Zone; and (iii) disclose any other zone as required by Law and provide any other information required for those zones.

**C. WITHHOLDING TAXES:** Within the time specified in paragraph 16A, to avoid required withholding, Seller shall Deliver to Buyer or qualified substitute, an affidavit sufficient to comply with federal (FRPTA) and California withholding Law, (C.A.R. Form AS or QS).

**D. MEGAN'S LAW DATABASE DISCLOSURE:** Notice: Pursuant to Section 260.48 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. (Neither Seller nor Brokers are required to check this website. If Buyer wants further information, Broker recommends that Buyer obtain information from this website during Buyer's inspection contingency period. Brokers do not have expertise in this area.)

**E. NOTICE REGARDING GAS AND HAZARDOUS LIQUID TRANSMISSION PIPELINES:** This notice is being provided simply to inform you that information about the general location of gas and hazardous liquid transmission pipelines is available to the public via the National Pipeline Mapping System (NPMS) internet Web site maintained by the United States Department of Transportation at http://www.npms.phmsa.dot.gov. To seek further information about possible transmission pipelines near the Property, you may contact your local gas utility or other pipeline operators in the area. Contact information for pipeline operators is searchable by ZIP Code and county on the NPMS internet Web site.

**8. RESIDENTIAL 1-4 PROPERTIES: STATUTORY DISCLOSURES (INCLUDING LEAD-BASED PAINT HAZARD DISCLOSURES) AND CANCELLATION RIGHTS:**

- A. (1) Seller shall, within the time specified in paragraph 16A, deliver to Buyer, if required by Law: (i) Federal Lead-Based Paint Disclosure (C.A.R. Form PLD) and pamphlet ("Lead Disclosure"); and (ii) disclosure of notices required by sections 1102 et. seq. and 1103 et. seq. of the Civil Code ("Statutory Disclosures"). Statutory Disclosures include, but are not limited to, a Real Estate Transfer Disclosure Statement ("TDS"), Natural Hazard Disclosure Statement ("NHD"), notice of actual knowledge of release of illegal controlled substance, notice of special tax and/or assessments (or, if allowed, substantially equivalent notice regarding the Mello-Roos Community Facilities Act and Improvement Bond Act of 1916) and, if Seller has actual knowledge, of industrial use and military ordinance location (C.A.R. Form SPQ or SSD).
- (2) Buyer shall, within the time specified in paragraph 16B(1), return Signed Copies of the Statutory and Lead Disclosures to Seller.
- (3) If any disclosure or notice specified in 8A(1), or subsequent or amended disclosure or notice is Delivered to Buyer after the offer is Signed, Buyer shall have the right to cancel this Agreement within 3 Days After Delivery in person, or 5 Days After Delivery by deposit in the mail, by giving written notice of cancellation to Seller or Seller's agent.

**9. SELLER DOCUMENTATION AND ADDITIONAL DISCLOSURE:** Within the time specified in paragraph 16, Seller shall disclose, make available or Deliver, as applicable, to Buyer the following information.

- A. **RENTAL/SERVICE AGREEMENTS:** Seller shall make available to Buyer for inspection and review: (i) all current leases, rental agreements, service contracts, and other agreements pertaining to the operation of the Property; (ii) a rental statement including names of tenants, rental rates, period of rental, date of last rent increase, security deposits, rental concessions, rebates or other benefits, if any, and a list of delinquent rents and their duration. Seller represents that no tenant is entitled to any rebate, concession, or other benefit, except as set forth in these documents. Seller represents that the documents to be furnished are those maintained in the ordinary and normal course of business.
- B. **INCOME AND EXPENSE STATEMENTS:** Seller shall make available to Buyer the books and records for the Property, including a statement of income and expense for the 12 months preceding Acceptance. Seller represents that the books and records are those maintained in the ordinary and normal course of business, and used by Seller in the computation of federal and state income tax returns.
- C.  **TENANT ESTOPPEL CERTIFICATES:** (if checked) Seller shall Deliver to Buyer tenant estoppel certificates (C.A.R. Form TEC) completed by Seller or Seller's agent, and signed by tenants, acknowledging: (i) that tenants' rental or lease agreements are unmodified and in full force and effect (or if modified, stating all such modifications); (ii) that no lesser defaults exist; and (iii) stating the amount of any prepaid rent or security deposit.

Buyer's Initials (            ) (            )

Seller's Initials (            ) (            )

RIPA REVISED 4/13 (PAGE 3 OF 19)

Reviewed by            Date           



RESIDENTIAL INCOME PROPERTY PURCHASE AGREEMENT (RIPA PAGE 3 OF 19)

Willow



1175 & 1177 Willow Road

Property Address: Menlo Park, CA 94025

Date: September 10, 2014

- D. SURVEY, PLANS, AND ENGINEERING DOCUMENTS:** Seller shall, at no cost to Buyer, Deliver to Buyer Copies of surveys, plans, specifications, and engineering documents, if any, prepared on Seller's behalf or in Seller's possession.
- E. PERMITS:** If in Seller's possession, Seller shall Deliver to Buyer Copies of all permits and approvals concerning the Property, obtained from any governmental entity, including, but not limited to, certificates of occupancy, conditional use permits, development plans, and licenses and permits pertaining to the operation of the Property.
- F. STRUCTURAL MODIFICATIONS:** Seller shall disclose to Buyer in writing any known structural additions or alterations to, or the installation, alteration, repair or replacement of, significant components of the structure(s) upon the Property.
- G. SELLER REPRESENTATION:** Seller represents that Seller has no actual knowledge: (i) of any current pending lawsuit(s), investigation(s), inquiry(ies), action(s), or other proceeding(s) affecting the Property or the right to use and occupy it; (ii) of any unsatisfied mechanic's or materialman lien(s) affecting the Property; and (iii) that any tenant of the Property is the subject of a bankruptcy, if Seller receives any such notice prior to Close Of Escrow, Seller shall immediately notify Buyer.
- H. GOVERNMENTAL COMPLIANCE:**
- (1) Seller shall disclose to Buyer any improvements, additions, alterations, or repairs to the Property made by Seller, or known to Seller to have been made, without required governmental permits, final inspections, and approvals.
  - (2) Seller shall disclose to Buyer if Seller has actual knowledge of any notice of violations of Law filed or issued against the Property.
- 10. SUBSEQUENT DISCLOSURES:** In the event Seller, prior to Close Of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer, Seller shall promptly Deliver a subsequent or amended disclosure or notice, in writing, covering those items. However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies of which Buyer is otherwise aware, or which are disclosed in reports provided to or obtained by Buyer or ordered and paid for by Buyer.
- 11. CHANGES DURING ESCROW:**
- A. Prior to Close Of Escrow, Seller may engage in the following acts, ("Proposed Changes"), subject to Buyer's rights in paragraph 16B: (i) rent or lease any vacant unit or other part of the premises; (ii) alter, modify or extend any existing rental or lease agreement; (iii) enter into, alter, modify or extend any service contract(s); or (iv) change the status of the condition of the Property.
  - B. At least 7 (or  \_\_\_\_\_) Days Prior to any Proposed Changes, Seller shall Deliver written notice to Buyer of such Proposed Changes.
- 12. CONDOMINIUM/PLANNED UNIT DEVELOPMENT DISCLOSURES:**
- A. SELLER HAS: 7 (or  \_\_\_\_\_) Days After Acceptance to disclose to Buyer whether the Property is a condominium, or is located in a planned development or other common interest subdivision (G.A.R. Form SPQ or SSD).
  - B. If Property is a condominium or is located in a planned development or other common interest subdivision, Seller has 3 (or  \_\_\_\_\_) Days After Acceptance to request from the HOA (G.A.R. Form HOA): (i) Copies of any documents required by Law; (ii) disclosure of any pending or anticipated claim or litigation by or against the HOA; (iii) a statement containing the location and number of designated parking and storage spaces; (iv) Copies of the most recent 12 months of HOA minutes for regular and special meetings; and (v) the names and contact information of all HOA's governing the Property (collectively, "CI Disclosures"). Seller shall furnish and deliver to Buyer all CI Disclosures received from the HOA and any CI Disclosures in Seller's possession. Buyer's approval of CI Disclosures is a contingency of this Agreement as specified in paragraph 18B(3).
- 13. ITEMS INCLUDED AND EXCLUDED:**
- A. NOTE TO BUYER AND SELLER: Items listed as included or excluded in the MLS, signs or marketing materials are not included in the purchase price or excluded from the sale unless specified in 13B or C.
  - B. ITEMS INCLUDED IN SALE:
    - (1) All EXISTING fixtures and fittings that are attached to the Property;
    - (2) EXISTING electrical, mechanical, lighting, plumbing and heating fixtures, ceiling fans, fireplace inserts, gas logs and grates, solar systems, built-in appliances, window and door screens, awnings, shutters, window coverings, attached floor coverings, television antennas, satellite dishes, private integrated telephone systems, air coolers/conditioners, pool/spa equipment, garage door openers/remotes controls, mailbox, in-ground landscaping, trees/shrubs, water softeners, water purifiers, security systems/alerters;
    - (3) A complete inventory of all personal property of Seller currently used in the operation of the Property and included in the purchase price shall be delivered to Buyer within the time specified in paragraph 18.
    - (4) Seller represents that all items included in the purchase price, unless otherwise specified, are owned by Seller.
    - (5) Seller shall deliver title to the personal property by Bill of Sale, free of all liens and encumbrances, and without warranty of condition.
    - (6) As additional security for any note in favor of Seller for any part of the purchase price, Buyer shall execute a UCC-1 Financing Statement to be filed with the Secretary of State, covering the personal property included in the purchase, replacement thereof, and insurance proceeds.
  - C. ITEMS EXCLUDED FROM SALE: \_\_\_\_\_
- 14. CONDITION OF PROPERTY:** Unless otherwise agreed: (i) the Property is sold (a) in its PRESENT physical ("as-is") condition as of the date of Acceptance and (b) subject to Buyer's investigation rights; (ii) the Property, including pool, spa, landscaping and grounds, is to be maintained in substantially the same condition as of the date of Acceptance; and (iii) all debris and personal property not included in the sale shall be removed by Seller by Close Of Escrow. **Seller represents to the best of Seller's actual knowledge without investigation**
- A. Seller warrants that the Property is legally approved as \_\_\_\_\_ units.
  - B. Seller shall, within the time specified in paragraph 18, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS affecting the Property, including known insurance claims within the past five years, and make any and all other disclosures required by law.
  - C. Buyer has the right to inspect the Property and, as specified in paragraph 18, based upon information discovered in those inspections: (i) cancel this Agreement; or (ii) request that Seller make Repairs or take other action.
  - D. Buyer is strongly advised to conduct investigations of the entire Property in order to determine its present condition since Seller may not be aware of all defects affecting the Property or other factors that Buyer considers important. Property improvements may not be built according to code, in compliance with current Law, or have had permits issued.
- 15. BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY:**
- A. Buyer's acceptance of the condition of, and any other matter affecting the Property, is a contingency of this Agreement as specified in the



Buyer's Initials ( AK ) ( \_\_\_\_\_ )

Seller's Initials ( CF ) ( \_\_\_\_\_ )

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_





paragraph and paragraph 16B. Within the time specified in paragraph 16B(1), Buyer shall have the right, at Buyer's expense unless otherwise agreed, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations"), including, but not limited to, the right to: (i) inspect for lead-based paint and other lead-based paint hazards; (ii) inspect for wood destroying pests and organisms; (iii) review the registered sex offender database; (iv) confirm the insurability of Buyer and the Property; and (v) satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BIA). Without Seller's prior written consent, Buyer shall neither make nor cause to be made: (i) invasive or destructive Buyer Investigations; or (ii) inspections by any governmental building or zoning inspector or government employee, unless required by Law.

- B. Seller shall make the Property available for all Buyer Investigations. Buyer shall (i) as specified in paragraph 16B, complete Buyer Investigations and, either remove the contingency or cancel this Agreement, and (ii) give Seller, at no cost, complete Copies of all Investigation reports obtained by Buyer, which obligation shall survive the termination of this Agreement.
- C. Seller shall have water, gas, electricity and all operable pilot lights on for Buyer's Investigations and through the date possession is made available to Buyer.
- D. Buyer indemnify and Seller protection for entry upon property: Buyer shall (i) keep the Property free and clear of liens; (ii) repair all damage arising from Buyer Investigations; and (iii) indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs of Buyer's Investigations. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer Investigations or work done on the Property at Buyer's direction prior to Close Of Escrow. Seller is advised that certain protections may be afforded Seller by recording a "Notice of Non-responsibility" (C.A.R. Form NNR) for Buyer Investigations and work done on the Property at Buyer's direction. Buyer's obligations under this paragraph shall survive the termination or cancellation of this Agreement and Close Of Escrow.

16. SELLER DISCLOSURES; ADDENDA; ADVISORIES; OTHER TERMS:

A. Seller Disclosures (if checked): Seller shall, within the time specified in paragraph 16A, complete and Deliver to Buyer a:

<input type="checkbox"/> Seller Property Questionnaire (C.A.R. Form SPQ)	OR	<input type="checkbox"/> Supplemental Contractual and Statutory Disclosures (C.A.R. Form SSD)
<input checked="" type="checkbox"/> Addendum # 1		<input checked="" type="checkbox"/> Addendum # 2 (C.A.R. Form ADM)
<input type="checkbox"/> Wood Destroying Pest Inspection and Allocation of Cost Addendum (C.A.R. Form WPA)		
<input type="checkbox"/> Purchase Agreement Addendum (C.A.R. Form PAA)		<input type="checkbox"/> Septic, Well and Property Monument Addendum (C.A.R. Form SWP)
<input type="checkbox"/> Short Sale Addendum (C.A.R. Form SSA)		<input type="checkbox"/> Other
<input type="checkbox"/> Seller Intent to Exchange Supplement (C.A.R. Form SES)		<input type="checkbox"/> Buyer Intent to Exchange Supplement (C.A.R. Form BES)
<input checked="" type="checkbox"/> Advisories (if checked):		<input checked="" type="checkbox"/> Buyer's Inspection Advisory (C.A.R. Form BIA)
<input type="checkbox"/> Probate Advisory (C.A.R. Form PAQ)		<input checked="" type="checkbox"/> Statewide Buyer and Seller Advisory (C.A.R. Form SBSA)
<input type="checkbox"/> Trust Advisory (C.A.R. Form TA)		<input type="checkbox"/> REO Advisory (C.A.R. Form REO)
D. Other Terms:		

17. TITLE AND VESTING:

- A. Within the time specified in paragraph 16, Buyer shall be provided a current preliminary title report, which shall include a search of the General Index. Seller shall within 7 Days After Acceptance, give Escrow Holder a completed Statement of Information. The preliminary report is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. Buyer's review of the preliminary report and any other matters which may affect title are a contingency of this Agreement as specified in paragraph 16B.
- B. Title is taken in its present condition subject to all encumbrances, assessments, covenants, conditions, restrictions, rights and other matters, whether of record or not, as of the date of Acceptance except: (i) monetary liens of record unless Buyer is assuming those obligations or taking the Property subject to those obligations; and (ii) those matters which Seller has agreed to remove in writing.
- C. Within the time specified in paragraph 16A, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.
- D. At Close Of Escrow, Buyer shall receive a grant deed conveying title (or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller's leasehold interest), including oil, mineral and water rights if currently owned by Seller. Title shall vest as designated in Buyer's supplemental escrow instructions. THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.
- E. Buyer shall receive a standard coverage owner's CLTA policy of title insurance. An ALTA policy or the addition of endorsements may provide greater coverage for Buyer. A title company, at Buyer's request, can provide information about availability, desirability, coverage, survey requirements and cost of various title insurance coverages and endorsements. If Buyer desires title coverage other than that required by this paragraph, Buyer shall instruct Escrow Holder in writing and pay any increase in cost.

18. TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS: The following time periods may only be extended, altered, modified or changed by mutual written agreement. Any removal of contingencies or cancellation under this paragraph by either buyer or seller must be executed in good faith and in writing (C.A.R. Form CR or CC).

- A. SELLER HAS: 7 (or  ) Days After Acceptance to deliver to Buyer all reports, disclosures and information for which Seller is responsible under paragraphs 4, 7A, B and C, 8A, 9, 12A, 13B(3), 14B, 16A and B, and 17. Buyer may give Seller a Notice to Seller to perform (C.A.R. Form NSP) if Seller has not Delivered the items within the time specified.
- B. (1) BUYER HAS: 17 (or  ) Days After Acceptance, unless otherwise agreed in writing, to:
  - (i) complete all Buyer Investigations; approve all disclosures, reports and other applicable information, which Buyer receives from Seller; and approve all other matters affecting the Property; and
  - (ii) Deliver to Seller Signed Copies of Statutory and Lead Disclosures Delivered by Seller in accordance with paragraphs 7A or 8A.
- (2) Within the time specified in 16B(1), Buyer may request that Seller make repairs or take any other action regarding the Property (C.A.R. Form RR). Seller has no obligation to agree to or respond to Buyer's requests.
- (3) Within the time specified in 16B(1) (or as otherwise specified in this Agreement), Buyer shall Deliver to Seller either (i) a removal of the applicable contingency (C.A.R. Form CR), or (ii) a cancellation (C.A.R. Form CC) of this Agreement based upon a remaining contingency or Seller's failure to Deliver the specified items. However, if any report, disclosure or information for which Seller is responsible is not Delivered within the time specified in 16A, then Buyer has 6 (or  ) Days After Delivery of any such items, or the time specified

Buyer's Initials (   *DF*   ) ( \_\_\_\_\_ )

Seller's Initials (   *WJ*   ) ( \_\_\_\_\_ )





In 10B(1), whichever is later, to Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement.

- (4) Continuation of Contingency: Even after the end of the time specified in 10B(1) and before Seller cancels this Agreement, if at all, pursuant to 10C, Buyer retains the right to either (i) in writing remove remaining contingencies, or (ii) cancel this Agreement based upon a remaining contingency. Once Buyer's written removal of all contingencies is Delivered to Seller, Seller may not cancel this Agreement pursuant to 10C(1).

C. SELLER RIGHT TO CANCEL:

- (1) Seller right to Cancel; Buyer Contingencies: If, within the time specified in this Agreement, Buyer does not in writing Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement then Seller, after first Delivering to Buyer a Notice to Buyer to Perform (C.A.R. Form NBP) may cancel this Agreement. In such event, Seller shall authorize return of Buyer's deposit.
(2) Seller right to Cancel; Buyer Contract Obligations: Seller, after first Delivering to Buyer a NBP may cancel this Agreement for any of the following reasons: (i) if Buyer fails to deposit funds as required by 3A or 3B; (ii) if the funds deposited pursuant to 3A or 3B are not good when deposited; (iii) if Buyer fails to Deliver a notice of FHA or VA costs or terms as required by 3C(3) (C.A.R. Form FVA); (iv) if Buyer fails to Deliver a letter as required by 3H; (v) if Buyer fails to Deliver verification as required by 3G or 3J; (vi) if Seller reasonably disapproves of the verification provided by 3G or 3J; (vii) if Buyer fails to return Statutory and Lead Disclosures as required by paragraphs 7A(2) or 8A(2); or (viii) if Buyer fails to sign or initial a separate liquidated damages form for an increased deposit as required by paragraphs 3B and 34. In such event, Seller shall authorize return of Buyer's deposit.
(3) Notice To Buyer To Perform: The NBP shall: (i) be in writing; (ii) be signed by Seller; and (iii) give Buyer at least 2 (or [ ] ) Days After Delivery for until the time specified in the applicable paragraph, whichever occurs last to take the applicable action. A NBP may not be Delivered any earlier than 2 Days Prior to the expiration of the applicable time for Buyer to remove a contingency or cancel this Agreement or meet an obligation specified in 10C(2).

D. EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES: If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in a separate written agreement between Buyer and Seller, Buyer shall with regard to that contingency or cancellation right conclusively be deemed to have: (i) completed all Buyer investigations, and review of reports and other applicable information and disclosures (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and expense for Repairs or corrections or for inability to obtain financing.

E. CLOSE OF ESCROW: Before Seller or Buyer may cancel this Agreement for failure of the other party to close escrow pursuant to this Agreement, Seller or Buyer must first Deliver to the other a demand to close escrow (C.A.R. Form DCE).

F. EFFECT OF CANCELLATION ON DEPOSITS: If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, Buyer and Seller agree to sign mutual instructions to cancel the sale and escrow and release deposits, if any, to the party entitled to the funds, less fees and costs incurred by that party. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. Release of funds will require mutual signed release instructions from Buyer and Seller, judicial decision or arbitration award. A Buyer or Seller may be subject to a civil penalty of up to \$1,000 for refusal to sign such instructions if no good faith dispute exists as to who is entitled to the deposited funds (Civil Code §1957.3).

19. REPAIRS: Repairs shall be completed prior to final verification of condition unless otherwise agreed in writing. Repairs to be performed at Seller's expense may be performed by Seller or through others, provided that the work complies with applicable Law, including governmental permit, inspection and approval requirements. Repairs shall be performed in a good, skillful manner with materials of quality and appearance comparable to existing materials. It is understood that exact restoration of appearance or ornate forms following all Repairs may not be possible. Seller shall: (i) obtain receipts for Repairs performed by others; (ii) prepare a written statement including the Repairs performed by Seller and the date of such Repairs; and (iii) provide Copies of receipts and statements to Buyer prior to final verification of condition.

20. ENVIRONMENTAL HAZARD CONSULTATION: Buyer and Seller acknowledge: (i) Federal, state, and local legislation impose liability upon existing and former owners and users of real property, in applicable situations, for certain legislatively defined, environmentally hazardous substances; (ii) Broker(s) has/have made no representation concerning the applicability of any such Law to this transaction or to Buyer or to Seller, except as otherwise indicated in this Agreement; (iii) Broker(s) has/have made no representation concerning the existence, testing, discovery, location and evaluation effort, and risks posed by, environmentally hazardous substances, if any, located on or potentially affecting the Property; and (iv) Buyer and Seller are each advised to consult with technical and legal experts concerning the existence, testing, discovery, location and evaluation effort, and risks posed by, environmentally hazardous substances, if any, located on or potentially affecting the Property.

21. AMERICANS WITH DISABILITIES ACT: The Americans With Disabilities Act ("ADA") prohibits discrimination against individuals with disabilities. The ADA affects almost all commercial facilities and public accommodations. Residential properties are not typically covered by the ADA, but may be governed by its provisions if used for certain purposes. The ADA can require, among other things, that buildings be made readily accessible to the disabled. Different requirements apply to new construction, alterations to existing buildings, and removal of barriers in existing buildings. Compliance with the ADA may require significant costs. Monetary and injunctive remedies may be incurred if the Property is not in compliance. A real estate broker does not have the technical expertise to determine whether a building is in compliance with ADA requirements, or to advise a principal on those requirements. Buyer and Seller are advised to contact an attorney, contractor, architect, engineer or other qualified professional of Buyer or Seller's own choosing to determine to what degree, if any, the ADA impacts that principal or this transaction.

22. FINAL VERIFICATION OF CONDITION: Buyer shall have the right to make a final inspection of the Property within 6 (or [ ] ) Days Prior to Close Of Escrow, NOT AS A CONTINGENCY OF THE SALE, but solely to confirm: (i) the Property is maintained pursuant to paragraph 14; (ii) Repairs have been completed as agreed; and (iii) Seller has complied with Seller's other obligations under this Agreement (C.A.R. form VP).

23. PROVISIONS OF PROPERTY TAXES AND OTHER ITEMS: Unless otherwise agreed in writing, the following items shall be PAID CURRENT and prorated between Buyer and Seller as of Close Of Escrow: real property taxes and assessments, interest, rents, HOA regular, special, and emergency dues and assessments imposed prior to Close Of Escrow, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer, and payments on Mello-Roos and other Special Assessment District bonds and assessments that are a current lien. The following items shall be assumed by Buyer WITHOUT CREDIT toward the purchase price: prorated payments on Mello-Roos and other Special Assessment

Buyer's Initials ( [Signature] ) ( \_\_\_\_\_ )

Seller's Initials ( [Signature] ) ( \_\_\_\_\_ )





1175 & 1177 Willow Road

Property Address: Maple Park, CA 94025

Date: September 10, 2014

District bonds and assessments and HOA special assessments that are a current lien but not yet due. The Property will be reassessed upon change of ownership. Any supplemental tax bills shall be paid as follows: (i) for periods after Close Of Escrow, by Buyer; and (ii) for periods prior to Close Of Escrow, by Seller (see C.A.R. Forms SPT or SBPA for further information). **BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER.** Prorations shall be made based on a 30-day month.

- 24. **SELECTION OF SERVICE PROVIDERS:** Brokers do not guarantee the performance of any vendors, service or product providers ("Providers"), whether referred by Broker or selected by Buyer, Seller or other person. Buyer and Seller may select ANY Providers of their own choosing.
  - 25. **MULTIPLE LISTING SERVICE ("MLS"):** Brokers are authorized to report to the MLS a pending sale and, upon Close Of Escrow, the sales price and other terms of this transaction shall be provided to the MLS to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS.
  - 26. **EQUAL HOUSING OPPORTUNITY:** The Property is sold in compliance with federal, state and local anti-discrimination Laws.
  - 27. **ATTORNEY FEES:** In any action, proceeding, or arbitration between Buyer and Seller arising out of this Agreement, the prevailing Buyer or Seller shall be entitled to reasonable attorney fees and costs from the non-prevailing Buyer or Seller, except as provided in paragraph 35A.
  - 28. **DEFINITIONS:** As used in this Agreement:
    - A. "Acceptance" means the time the offer or final counter offer is accepted in writing by a party and is delivered to and personally received by the other party or that party's authorized agent in accordance with the terms of this offer or a final counter offer.
    - B. "C.A.R. Form" means the specific form referenced or another comparable form agreed to by the parties.
    - C. "Close Of Escrow" means the date the grant deed, or other evidence of transfer of title, is recorded.
    - D. "Copy" means copy by any means including photocopy, NCR, facsimile and electronic.
    - E. "Days" means calendar days. However, after Acceptance, the last Day for performance of any act required by this Agreement (including Close Of Escrow) shall not include any Saturday, Sunday, or legal holiday and shall instead be the next Day.
    - F. "Days After" means the specified number of calendar days after the occurrence of the event specified, not counting the calendar date on which the specified event occurs, and ending at 11:59 PM on the final day.
    - G. "Days Prior" means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date on which the specified event is scheduled to occur.
    - H. "Deliver", "Delivered" or "Delivery", regardless of the method used (i.e. messenger, mail, email, fax, other), means and shall be effective upon (i) personal receipt by Buyer or Seller or the Individual Real Estate Licensee for that principal as specified in paragraph D of the section titled Real Estate Brokers on page 10;
  - OR (ii) if checked,  per the attached addendum (C.A.R. Form RDN).
  - I. "Electronic Copy" or "Electronic Signature" means, as applicable, an electronic copy or signature complying with California Law. Buyer and Seller agree that electronic means will not be used by either party to modify or alter the content or integrity of this Agreement without the knowledge and consent of the other party.
  - J. "Law" means any law, code, statute, ordinance, regulation, rule or order, which is adopted by a controlling city, county, state or federal legislative, judicial or executive body or agency.
  - K. "Repairs" means any repairs (including pest control), alterations, replacements, modifications or retrofitting of the Property provided for under this Agreement.
  - L. "Signed" means either a handwritten or electronic signature on an original document, Copy or any counterpart.
- 29. **ASSIGNMENT:** Buyer shall not assign all or any part of Buyer's interests in this Agreement without first having obtained the written consent of Seller. Such consent shall not be unreasonably withheld, unless otherwise agreed in writing. Any total or partial assignment shall not relieve Buyer of Buyer's obligations pursuant to this Agreement.
  - 30. **SUCCESSORS AND ASSIGNS:** This Agreement shall be binding upon, and inure to the benefit of, Buyer and Seller and their respective successors and assigns, except as otherwise provided herein.
  - 31. **COPIES:** Seller and Buyer each represent that Copies of all reports, documents, certificates, approvals and other documents that are furnished to the other are true, correct and unaltered Copies of the original documents, if the originals are in the possession of the furnishing party.
  - 32. **BROKERS:**
    - A. **BROKER COMPENSATION:** Seller or Buyer, or both, as applicable, agree to pay compensation to Broker as specified in a separate written agreement between Broker and that Seller or Buyer. Compensation is payable upon Close Of Escrow, or if escrow does not close, as otherwise specified in the agreement between Broker and that Seller or Buyer.
    - B. **BROKERAGE:** Neither Buyer nor Seller has utilized the services of, or for any other reason owes compensation to, a licensed real estate broker (individual or corporate), agent, finder, or other entity, other than as specified in this Agreement, in connection with any act relating to the Property, including, but not limited to, inquiries, introductions, consultations and negotiations leading to this Agreement. Buyer and Seller each agree to indemnify and hold the other, the Brokers specified herein and their agents, harmless from and against any costs, expenses or liability for compensation claimed inconsistent with the warranty and representation in this paragraph.
  - 33. **JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:**
    - A. The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder, which Escrow Holder is to use along with any existing courier offers and addenda, and any additional mutual instructions to close the escrow: 1, 3, 4, 6, 7C, 10B and D, 17, 18F, 23, 28, 32A, 33, 37, 40, and paragraph D of the section titled Real Estate Brokers on page 10. If a Copy of the separate compensation agreement(s) provided for in paragraph 32A, or paragraph D of the section titled Real Estate Brokers on page 10 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out of Buyer's or Seller's funds, or both, as applicable, the respective Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not specifically referenced above, in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow

Buyer's Initials AR ( ) ( )

Seller's Initials UT ( ) ( )





1175 & 1177 Willow Road

Property Address: Menlo Park, CA 94025

Date: September 10, 2014

(2) BROKERS: Brokers shall not be obligated nor compelled to mediate or arbitrate unless they agree to do so in writing. Any Broker(s) participating in mediation or arbitration shall not be deemed a party to the Agreement.

36. TERMS AND CONDITIONS OF OFFER:

This is an offer to purchase the Property on the above terms and conditions. The liquidated damages paragraph or the arbitration of disputes paragraph is incorporated in this Agreement if initialed by all parties or if incorporated by mutual agreement in a counter offer or addendum. If at least one but not all parties initial such paragraph(s), a counter offer is required until agreement is reached. Seller has the right to continue to offer the Property for sale and to accept any other offer at any time prior to notification of Acceptance. If this offer is accepted and Buyer subsequently defaults, Buyer may be responsible for payment of Brokers' compensation. This Agreement and any supplement, addendum or modification, including any Copy, may be Signed in two or more counterparts, all of which shall constitute one and the same writing.

37. TIME OF ESSENCE; ENTIRE CONTRACT; CHANGE: Time is of the essence. All understandings between the parties are incorporated in this Agreement. Its terms are intended by the parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed, except in writing Signed by Buyer and Seller.

38. AUTHORITY: Any person or persons signing this Agreement represent(s) that such person has full power and authority to bind that person's principal, and that the designated Buyer and Seller has full authority to enter into and perform this Agreement. Entering into this Agreement, and the completion of the obligations pursuant to this contract, does not violate any Articles of Incorporation, Articles of Organization, Bylaws, Operating Agreement, Partnership Agreement or other document governing the activity of either Buyer or Seller.

39. EXPIRATION OF OFFER: This offer shall be deemed revoked and the deposit shall be returned, unless the offer is Signed by Seller, and a Copy of the Signed offer is personally received by Buyer, or by \_\_\_\_\_ who is authorized to receive it by 5:00 PM on the third Day after this offer is signed by Buyer (or, if checked  by \_\_\_\_\_  AM  PM) on (date) \_\_\_\_\_.

Buyer has read and acknowledges receipt of a Copy of the offer and agrees to the above confirmation of agency relationships.

Date 9/11/14  
BUYER [Signature]  
By [Signature]  
Print name Saris Jeronima-Robinson  
Title Assistant City Manager  
Address \_\_\_\_\_

Date 9/11/14  
BUYER \_\_\_\_\_  
By \_\_\_\_\_  
Print name \_\_\_\_\_  
Title \_\_\_\_\_  
Address \_\_\_\_\_

Additional Signature Addendum attached (C.A.R. Form ASA).

40. ACCEPTANCE OF OFFER: Seller warrants that Seller is the owner of the Property, or has the authority to execute this Agreement. Seller accepts the above offer, agrees to sell the Property on the above terms and conditions, and agrees to the above confirmation of agency relationships. Seller has read and acknowledges receipt of a Copy of this Agreement, and authorizes Broker to deliver a Signed Copy to Buyer.

(if checked) SUBJECT TO ATTACHED COUNTER OFFER (C.A.R. FORM CO), DATED \_\_\_\_\_

Date 9/11/14  
SELLER Church of Pioneers Foundation  
By [Signature]  
Print name William G. Frimel  
Title Vice President  
Address 1155 UNIVERSITY DR. BLDG 3  
MENLO PARK, CA 94025

Date \_\_\_\_\_  
SELLER \_\_\_\_\_  
By \_\_\_\_\_  
Print name \_\_\_\_\_  
Title \_\_\_\_\_  
Address \_\_\_\_\_

Additional Signature Addendum attached (C.A.R. Form ASA).

(\_\_\_\_\_/\_\_\_\_\_) CONFIRMATION OF ACCEPTANCE: A Copy of Signed Acceptance was personally received by Buyer or Buyer's authorized agent on (date) \_\_\_\_\_ at \_\_\_\_\_  AM  PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Buyer or Buyer's authorized agent whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.

Buyer's Initials ( SR ) ( \_\_\_\_\_ )

Seller's Initials ( WGF ) ( \_\_\_\_\_ )





1175 & 1177 Willow Road

Property Address: Mesa Park, CA 94025

Date: September 10, 2014

Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions directly from Escrow Holder and will execute such provisions upon Escrow Holder's request. To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow.

- B. A Copy of this Agreement shall be delivered to Escrow Holder within 3 business days after Acceptance (or  \_\_\_\_\_). Escrow Holder shall provide Seller's Statement of Information to Title company when the preliminary report is ordered. Buyer and Seller authorize Escrow Holder to accept and rely on Copies and Signatures as defined in this Agreement as originals, to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder Signs the Agreement.
- C. Brokers are a party to the Escrow for the sole purpose of compensation pursuant to paragraph 32A and paragraph D of the section titled Real Estate Brokers on page 10. Buyer and Seller irrevocably assign to Brokers compensation specified in paragraph 32A, respectively, and irrevocably instructs Escrow Holder to disburse those funds to Brokers at Close Of Escrow, or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. Buyer and Seller shall release and hold harmless Escrow Holder from any liability resulting from Escrow Holder's payment to Broker(s) of compensation pursuant to this Agreement. Escrow Holder shall immediately notify Brokers: (i) if Buyer's initial or any additional deposit is not made pursuant to this Agreement or is not good at time of deposit with Escrow Holder; or (ii) if either Buyer or Seller instruct Escrow Holder to cancel escrow.
- D. A Copy of any amendment that affects any paragraph of this Agreement for which Escrow Holder is responsible shall be delivered to Escrow Holder within 2 business days after mutual execution of the amendment.

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

Buyer's Initials DL Seller's Initials CF

**36. DISPUTE RESOLUTION:**

**A. MEDIATION:** Buyer and Seller agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration or court action. Buyer and Seller also agree to mediate any disputes or claims with Broker(s), who in writing, agree to such mediation prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. Mediation fees, if any, shall be divided equally among the parties involved. If, for any dispute or claim to which this paragraph applies, any party (i) commences an action without first attempting to resolve the matter through mediation, or (ii) before commencement of an action, refuses to mediate after a request has been made, then that party shall not be entitled to recover attorney fees, even if they would otherwise be available to that party in any such action. THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED. Exclusions from this mediation agreement are specified in paragraph 36C.

**B. ARBITRATION OF DISPUTES:**

Buyer and Seller agree that any dispute or claim in Law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration. Buyer and Seller also agree to arbitrate any disputes or claims with Broker(s), who, in writing, agree to such arbitration prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of residential real estate Law experience, unless the parties mutually agree to a different arbitrator. The parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part 3 of the Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Enforcement of this agreement to arbitrate shall be governed by the Federal Arbitration Act. Exclusions from this arbitration agreement are specified in paragraph 36C.

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

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

Buyer's Initials DL Seller's Initials CF

**C. ADDITIONAL MEDIATION AND ARBITRATION, TERMS:**

(f) **EXCLUSIONS:** The following matters shall be excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in Civil Code §2986; (ii) an unlawful detainer action; (iii) the filing or enforcement of a mechanic's lien; and (iv) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court. The filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a waiver or violation of the mediation and arbitration provisions.

Buyer's Initials (DL) (\_\_\_\_\_)

Seller's Initials (CF) (\_\_\_\_\_)





1175 & 1177 Willow Road

Property Address: Maple Park, CA 94025

Date: September 10, 2014

**REAL ESTATE BROKERS:**

- A. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.
- B. Agency relationships are confirmed as stated in paragraph 2 above.
- C. If specified in paragraph 3A(2), Agent who submitted offer for Buyer acknowledges receipt of deposit.
- D. **COOPERATING BROKER COMPENSATION:** Listing Broker agrees to pay Cooperating Broker (Selling Firm) and Cooperating Broker agrees to accept, out of Listing Broker's proceeds in escrow: (i) the amount specified in the MLS, provided Cooperating Broker is a Participant of the MLS in which the Property is offered for sale or a reciprocal MLS; or (ii)  (if checked) the amount specified in a separate written agreement (C.A.R. Form CBC) between Listing Broker and Cooperating Broker. Declaration of License and Tax (C.A.R. Form DLT) may be used to document that tax reporting will be required or that an exemption exists.

Real Estate Broker (Selling Firm) None BRE Lic. # \_\_\_\_\_  
 By \_\_\_\_\_ BRE Lic. # \_\_\_\_\_ Date \_\_\_\_\_  
 Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
 Telephone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_

Real Estate Broker (Listing Firm) Monarch Cornish & Carey Keith Siddjian/Michelle Siddjian BRE Lic. # 00832933 / 01918902  
 By Michelle Siddjian Keith Siddjian BRE Lic. # 00673961 Date 9/11/14  
 Address 245 Yachtman Avenue Suite #150 City Daly City 01918902 State CA Zip 94021  
 Telephone (650) 688-5514 Fax (650) 921-0719 E-mail ksiddjian@monarchcarey.com

**ESCROW HOLDER ACKNOWLEDGMENT:**

Escrow Holder acknowledges receipt of a Copy of this Agreement, (if checked,  a deposit in the amount of \$ \_\_\_\_\_), counter offer(s) numbered \_\_\_\_\_  Seller's Statement of Information and  Other \_\_\_\_\_, and agrees to act as Escrow Holder subject to paragraph 33 of this Agreement, any supplemental escrow instructions and the terms of Escrow Holder's general provisions, if any.

Escrow Holder is advised that the date of Confirmation of Acceptance of the Agreement as between Buyer and Seller is \_\_\_\_\_

Escrow Holder \_\_\_\_\_ Escrow \$ \_\_\_\_\_  
 By \_\_\_\_\_ Date \_\_\_\_\_  
 Address \_\_\_\_\_  
 Phone/Fax/E-mail \_\_\_\_\_

Escrow Holder is licensed by the California Department of  Corporations,  Insurance,  Real Estate. License # \_\_\_\_\_

**PRESENTATION OF OFFER:** ( \_\_\_\_\_ ) Listing Broker presented this offer to Seller on \_\_\_\_\_ (date).  
Broker or Designee Initials \_\_\_\_\_

**REJECTION OF OFFER:** ( X ) No counter offer is being made. This offer was rejected by Seller on \_\_\_\_\_ (date).  
Seller's Initials \_\_\_\_\_

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RIPA REVISED 4/13 (PAGE 10 OF 10)

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_







CALIFORNIA  
ASSOCIATION  
OF REALTORS®

## BUYER'S INSPECTION ADVISORY

(C.A.R. Form BIA-A, Revised 10/02)

Property Address: 1175 & 1177 Willow Road, Menlo Park, CA 94025 ("Property").

**A. IMPORTANCE OF PROPERTY INVESTIGATION:** The physical condition of the land and improvements being purchased is not guaranteed by either Seller or Brokers. For this reason, you should conduct thorough investigations of the Property personally and with professionals who should provide written reports of their investigations. A general physical inspection typically does not cover all aspects of the Property nor items affecting the Property that are not physically located on the Property. If the professionals recommend further investigations, including a recommendation by a pest control operator to inspect inaccessible areas of the Property, you should contact qualified experts to conduct such additional investigations.

**B. BUYER RIGHTS AND DUTIES:** You have an affirmative duty to exercise reasonable care to protect yourself, including discovery of the legal, practical and technical implications of disclosed facts, and the investigation and verification of information and facts that you know or that are within your diligent attention and observation. The purchase agreement gives you the right to investigate the Property. If you exercise this right, and you should, you must do so in accordance with the terms of that agreement. This is the best way for you to protect yourself. It is extremely important for you to read all written reports provided by professionals and to discuss the results of inspections with the professional who conducted the inspection. You have the right to request that Seller make repairs, corrections or take other action based upon items discovered in your investigations or disclosed by Seller. If Seller is unwilling or unable to satisfy your requests, or you do not want to purchase the Property in its disclosed and discovered condition, you have the right to cancel the agreement if you act within specific time periods. If you do not cancel the agreement in a timely and proper manner, you may be in breach of contract.

**C. SELLER RIGHTS AND DUTIES:** Seller is required to disclose to you material facts known to him/her that affect the value or desirability of the Property. However, Seller may not be aware of some Property defects or conditions. Seller does not have an obligation to inspect the Property for your benefit nor is Seller obligated to repair, correct or otherwise cure known defects that are disclosed to you or previously unknown defects that are discovered by you or your inspectors during escrow. The purchase agreement obligates Seller to make the Property available to you for investigations.

**D. BROKER OBLIGATIONS:** Brokers do not have expertise in all areas and therefore cannot advise you on many items, such as soil stability, geologic or environmental conditions, hazardous or illegal controlled substances, structural conditions of the foundation or other improvements, or the condition of the roof, plumbing, heating, air conditioning, electrical, sewer, septic, waste disposal, or other system. The only way to accurately determine the condition of the Property is through an inspection by an appropriate professional selected by you. If Broker gives you referrals to such professionals, Broker does not guarantee their performance. You may select any professional of your choosing. In sales involving residential dwellings with no more than four units, Brokers have a duty to make a diligent visual inspection of the accessible areas of the Property and to disclose the results of that inspection. However, as some Property defects or conditions may not be discoverable from a visual inspection, it is possible Brokers are not aware of them. If you have entered into a written agreement with a Broker, the specific terms of that agreement will determine the nature and extent of that Broker's duty to you. **YOU ARE STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY. IF YOU DO NOT DO SO, YOU ARE ACTING AGAINST THE ADVICE OF BROKERS.**

**E. YOU ARE ADVISED TO CONDUCT INVESTIGATIONS OF THE ENTIRE PROPERTY, INCLUDING, BUT NOT LIMITED TO THE FOLLOWING:**

- 1. GENERAL CONDITION OF THE PROPERTY, ITS SYSTEMS AND COMPONENTS:** Foundation, roof, plumbing, heating, air conditioning, electrical, mechanical, security, pool/spa, other structural and non-structural systems and components, fixtures, built-in appliances, any personal property included in the sale, and energy efficiency of the Property. (Structural engineers are best suited to determine possible design or construction defects, and whether improvements are structurally sound.)
- 2. SQUARE FOOTAGE, AGE, BOUNDARIES:** Square footage, room dimensions, lot size, age of improvements and boundaries. Any numerical statements regarding these items are APPROXIMATIONS ONLY and have not been verified by Seller and cannot be verified by Brokers. Fences, hedges, walls, retaining walls and other natural or constructed barriers or markers do not necessarily identify true Property boundaries. (Professionals such as appraisers, architects, surveyors and civil engineers are best suited to determine square footage, dimensions and boundaries of the Property.)
- 3. WOOD DESTROYING PESTS:** Presence of, or conditions likely to lead to the presence of wood destroying pests and organisms and other infestation or infection. Inspection reports covering these items can be separated into two sections: Section 1 identifies areas where infestation or infection is evident. Section 2 identifies areas where there are conditions likely to lead to infestation or infection. A registered structural pest control company is best suited to perform these inspections.
- 4. SOIL STABILITY:** Existence of fill or compacted soil, expansive or contracting soil, susceptibility to slippage, settling or movement, and the adequacy of drainage. (Geotechnical engineers are best suited to determine such conditions, causes and remedies.)

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BIA-A REVISED 10/02 (PAGE 1 OF 2)

Buyer's Initials AK ( )

Seller's Initials CS ( )

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



### BUYER'S INSPECTION ADVISORY (BIA-A PAGE 1 OF 2)

Agent: Keith Suddjian

Phone: (855)858-8614

Fax:

Prepared using zipForm® software

Broker: Cornish & Carey Commercial 2804 Mission College Blvd Santa Clara, CA 95054



5. **ROOF:** Present condition, age, leaks, and remaining useful life. (Roofing contractors are best suited to determine these conditions.)
6. **POOL/SPA:** Cracks, leaks or operational problems. (Pool contractors are best suited to determine these conditions.)
7. **WASTE DISPOSAL:** Type, size, adequacy, capacity and condition of sewer and septic systems and components, connection to sewer, and applicable fees.
8. **WATER AND UTILITIES; WELL SYSTEMS AND COMPONENTS:** Water and utility availability, use restrictions and costs. Water quality, adequacy, condition, and performance of well systems and components.
9. **ENVIRONMENTAL HAZARDS:** Potential environmental hazards, including, but not limited to, asbestos, lead-based paint and other lead contamination, radon, methane, other gases, fuel oil or chemical storage tanks, contaminated soil or water, hazardous waste, waste disposal sites, electromagnetic fields, nuclear sources, and other substances, materials, products, or conditions (including mold (airborne, toxic or otherwise), fungus or similar contaminants). (For more information on these items, you may consult an appropriate professional or read the booklets "Environmental Hazards: A Guide for Homeowners, Buyers, Landlords and Tenants," "Protect Your Family From Lead In Your Home" or both.)
10. **EARTHQUAKES AND FLOODING:** Susceptibility of the Property to earthquakes/seismic hazards and propensity of the Property to flood. (A Geologist or Geotechnical Engineer is best suited to provide information on these conditions.)
11. **FIRE, HAZARD AND OTHER INSURANCE:** The availability and cost of necessary or desired insurance may vary. The location of the Property in a seismic, flood or fire hazard zone, and other conditions, such as the age of the Property and the claims history of the Property and Buyer, may affect the availability and need for certain types of insurance. Buyer should explore insurance options early as this information may affect other decisions, including the removal of loan and inspection contingencies. (An insurance agent is best suited to provide information on these conditions.)
12. **BUILDING PERMITS, ZONING AND GOVERNMENTAL REQUIREMENTS:** Permits, inspections, certificates, zoning, other governmental limitations, restrictions, and requirements affecting the current or future use of the Property, its development or size. (Such information is available from appropriate governmental agencies and private information providers. Brokers are not qualified to review or interpret any such information.)
13. **RENTAL PROPERTY RESTRICTIONS:** Some cities and counties impose restrictions that limit the amount of rent that can be charged, the maximum number of occupants; and the right of a landlord to terminate a tenancy. Deadbolt or other locks and security systems for doors and windows, including window bars, should be examined to determine whether they satisfy legal requirements. (Government agencies can provide information about these restrictions and other requirements.)
14. **SECURITY AND SAFETY:** State and local Law may require the installation of barriers, access alarms, self-latching mechanisms and/or other measures to decrease the risk to children and other persons of entering swimming pools and hot tubs, as well as various fire safety and other measures concerning other features of the Property. Compliance requirements differ from city to city and county to county. Unless specifically agreed, the Property may not be in compliance with these requirements. (Local government agencies can provide information about these restrictions and other requirements.)
15. **NEIGHBORHOOD, AREA, SUBDIVISION CONDITIONS; PERSONAL FACTORS:** Neighborhood or area conditions, including schools, proximity and adequacy of law enforcement, crime statistics, the proximity of registered felons or offenders, fire protection, other government services, availability, adequacy and cost of any speed-wired, wireless internet connections or other telecommunications or other technology services and installations, proximity to commercial, industrial or agricultural activities, existing and proposed transportation, construction and development that may affect noise, view, or traffic, airport noise, noise or odor from any source, wild and domestic animals, other nuisances, hazards, or circumstances, protected species, wetland properties, botanical diseases, historic or other governmentally protected sites or improvements, cemeteries, facilities and condition of common areas of common interest subdivisions, and possible lack of compliance with any governing documents or Homeowners' Association requirements, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of Buyer.

Buyer and Seller acknowledge and agree that Broker: (i) Does not decide what price Buyer should pay or Seller should accept; (ii) Does not guarantee the condition of the Property; (iii) Does not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; (iv) Does not have an obligation to conduct an inspection of common areas or areas off the site of the Property; (v) Shall not be responsible for identifying defects on the Property, in common areas, or offsite unless such defects are visually observable by an inspection of reasonably accessible areas of the Property or are known to Broker; (vi) Shall not be responsible for inspecting public records or permits concerning the title or use of Property; (vii) Shall not be responsible for identifying the location of boundary lines or other items affecting title; (viii) Shall not be responsible for verifying square footage, representations of others or information contained in investigation reports, Multiple Listing Service, advertisements, flyers or other promotional material; (ix) Shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller; and (x) Shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and Seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.

By signing below, Buyer and Seller each acknowledge that they have read, understand, accept and have received a Copy of this Advisory. Buyer is encouraged to read it carefully.

<p><u>Staris Jerome</u> Buyer Signature City of Menlo Park By: Staris Jerome-Robinson, Assistant City Manager</p>	<p><u>9/11/14</u> Date</p>	<p>_____ Buyer Signature</p>	<p>_____ Date</p>
<p><u>William G. Frimel</u> Seller Signature Church Of The Pioneers Foundation By: William G. Frimel, Vice President</p>	<p><u>9/10/14</u> Date</p>	<p>_____ Seller Signature</p>	<p>_____ Date</p>

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Reviewed by \_\_\_\_\_ Date \_\_\_\_\_







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ADDENDUM  
(C.A.R. Form ADM, Revised 4/12)

No. 1

The following terms and conditions are hereby incorporated in and made a part of the:  Residential Purchase Agreement,  Manufactured Home Purchase Agreement,  Business Purchase Agreement,  Residential Lease or Month-to-Month Rental Agreement,  Vacant Land Purchase Agreement,  Residential Income Property Purchase Agreement,  Commercial Property Purchase Agreement,  Other \_\_\_\_\_

dated September 10, 2014, on property known as 1175 & 1177 Willow Road  
Menlo Park, CA 94025

in which City of Menlo Park is referred to as ("Buyer/Tenant")  
and Church Of The Pioneers Foundation is referred to as ("Seller/Landlord")

This contract is contingent upon Menlo Park City Council approval. This contingency shall be removed or waived by Buyer in writing on or before 5:00pm on September 17, 2014 or this contract shall be null and void and all deposits shall be promptly returned to Buyer.

The foregoing terms and conditions are hereby agreed to, and the undersigned acknowledge receipt of a copy of this document.

Date 9/11/14

Date 9/11/14

Buyer/Tenant [Signature]  
City of Menlo Park  
By: Stacie Jerome-Robinson, Assistant City Manager

Seller/Landlord [Signature]  
Church Of The Pioneers Foundation  
By: William G. Fyfe, Vice President

Buyer/Tenant \_\_\_\_\_

Seller/Landlord \_\_\_\_\_

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ADDENDUM (ADM PAGE 1 OF 1)

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