

STANFORD UNIVERSITY  
REAL ESTATE PURCHASE CONTRACT AND RECEIPT FOR DEPOSIT

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THIS IS MORE THAN A RECEIPT FOR MONEY. THIS IS INTENDED TO BE A LEGALLY BINDING CONTRACT. READ IT CAREFULLY.

This Stanford University Real Estate Purchase Contract And Receipt For Deposit ("Purchase Contract"), dated \_\_\_\_\_, is made and entered into by and

between \_\_\_\_\_  
("Eligible Person")  
(as such term is further defined in Paragraph 13.E.)

and \_\_\_\_\_  
(collectively, "Buyer")

and \_\_\_\_\_  
(collectively, "Seller")

with respect to a leasehold interest in certain real property ("Property") located at \_\_\_\_\_, Stanford, County of Santa Clara, California 94305, which leasehold interest Buyer agrees to purchase subject to the consent of and pursuant to the terms and conditions of a residential lease ("Lease") (as further defined in Paragraph 6.B.) from The Board of Trustees of the Leland Stanford Junior University ("Stanford"), which Lease describes said interest, and further subject to the restrictions, conditions, covenants, easements and rights of way that are now of record. This Purchase Contract also evidences Seller's receipt from Buyer of the sum set forth in Paragraph 1.A., as an initial deposit toward the purchase price for the leasehold interest. The purchase price for the leasehold interest is \$\_\_\_\_\_.

*TERMS AND CONDITIONS OF SALE:*

**1. FINANCING TERMS:**

A. Initial Deposit: Buyer's ("Initial Deposit") is evidenced by a personal check which check shall be held uncashed until Seller accepts Buyer's offer ("Acceptance"). Within \_\_\_\_\_ days (as defined in Paragraph 15.A.) after which Acceptance, Seller or Stanford shall deposit the Initial Deposit in Escrow Holder's Account with \_\_\_\_\_ ("Title Company"). \$\_\_\_\_\_

B. Additional Deposit: On or before \_\_\_\_\_(date), Buyer shall increase the deposit, in the form of a personal check (“Additional Deposit”). Seller or Stanford shall deposit the Additional Deposit with Title Company. If the Liquidated Damages provision in Paragraph 3 below is initialed by both Buyer and Seller, Buyer and Seller shall sign a “Receipt for Increased Deposit” (“Liquidated Damages”) form upon such deposit increase. The (“Deposit”) comprises both the Initial Deposit and the Additional Deposit.

\$ \_\_\_\_\_

C. Balance Of Cash Down Payment: Prior to Close of Escrow (as further defined in Paragraph 15.C.), Buyer shall deposit with Title Company the balance of Buyer’s cash down payment. Buyer’s ability to obtain the down payment is not a contingency of this Purchase Contract.

\$ \_\_\_\_\_

D. First Deed of Trust: A new first mortgage loan at an initial interest rate not to exceed \_\_\_\_\_ percent, and an origination fee not to exceed \_\_\_\_\_% of this loan which is secured to the Property as a first deed of trust.

\$ \_\_\_\_\_

E. Mortgage Assistance Program (“MAP”): A MAP loan which is secured to the Property by a second deed of trust.

\$ \_\_\_\_\_

F. Deferred Interest Program (“DIP”): A DIP loan which is secured to the Property by a third deed of trust.

\$ \_\_\_\_\_

G. Other Financing Terms:

\_\_\_\_\_  
\_\_\_\_\_

\$ \_\_\_\_\_

H. Total Purchase Price: Total Purchase Price (“Purchase Price”), not including closing costs or points, which may be included in the first mortgage loan amount.

\$ \_\_\_\_\_

I. Loan Application: If Buyer intends to obtain a loan, Buyer submits herewith a lender's: \_\_\_\_\_ "pre-approval" letter or \_\_\_\_\_ "pre-qualification" letter or \_\_\_\_\_ Buyer shall submit to potential lender(s) a completed loan application within \_\_\_\_ days of Acceptance.

J. Financing Contingency Terms: This Purchase Contract is subject to and conditioned upon Buyer's obtaining financing and/or loan commitments for the loans set forth above. Buyer shall use Buyer's best efforts to qualify for and obtain financing and/or loan commitments in the amounts set forth above. Buyer shall remove this contingency in accordance with the terms of Paragraph 12.A. hereof.

K. Appraisal Contingency: This Purchase Contract is subject to and conditioned upon the Property's qualifying as sufficient collateral for all loans. The appraised value of the Property must be equal to or greater than the Purchase Price. Buyer shall remove this contingency in accordance with the terms of Paragraph 12.B. hereof.

L. Loan Features: Loan documents contain a number of important features affecting the rights of the borrower and lender. Read all loan documents carefully.

M. Buyer's Funds: Buyer represents that all funds, including deposits, cash balance, and closing costs, will be readily available as "good funds" (as determined by Escrow Holder) at the time of payment.

**2. FIXTURES AND PERSONAL PROPERTY:**

A. Fixtures: All existing fixtures and fittings attached to the Property, or for which special openings have been made, are (unless specifically excluded below) included in the Purchase Price and shall be transferred to Buyer free of liens. These fixtures and fittings include, but are not limited to, existing systems and items as follows: electrical, lighting, plumbing and heating fixtures, fireplace inserts, screens, and attached fireplace equipment, solar systems and equipment, built-in appliances, awnings, shutters, window coverings and related hardware, existing window, door, skylight screens, attached floor coverings, television antennas, approved satellite dishes and related equipment, private integrated telephone systems, air coolers/conditioners, pool/spa equipment, water softeners (if owned by Seller) security systems/alarms (if owned by Seller), keys to all exterior locks, garage door openers/remote controls, mailbox, and in ground landscaping.

Also included are: \_\_\_\_\_ washer/dryer; \_\_\_\_\_ refrigerator; and \_\_\_\_\_.

Fixtures and fittings not included are: \_\_\_\_\_.

B. Personal Property To Be Included: The following items of personal Property, free of liens and without warranty of condition, are included in the Purchase Price:

\_\_\_\_\_.

**3. LIQUIDATED DAMAGES:**

By placing their initials here, Buyer (\_\_\_\_/\_\_\_\_) and Seller (\_\_\_\_/\_\_\_\_) agree that, in the event failure to complete this purchase is due to Buyer's breach of the Purchase Contract and not by reason of a default by Seller, (a) Seller is released from the obligation to transfer the leasehold interest to Buyer, (b) Seller shall retain Buyer's deposit paid as Seller's only recourse, not to exceed 3% of the Total Purchase Price. Any amount in excess of 3% of the Total Purchase Price shall be promptly returned to Buyer.

**4. MEDIATION OF DISPUTES:**

Buyer and Seller (collectively "Parties") agree to mediate any dispute between them arising out of this transaction prior to any court action or arbitration. Mediation is a non-binding process in which Parties to a dispute (by themselves or through their attorneys) meet with a neutral mediator (selected by the Parties) who will try to work out a mutually acceptable resolution. The mediator does not impose a settlement on the Parties. If the Parties cannot agree on a mediator, the Superior Court of Santa Clara County shall appoint one. The mediator may conduct more than one session and mediation fees shall be paid equally by participating Parties. Matters excluded from arbitration as set forth in Paragraph 5 below are also excluded from mediation. A Buyer or Seller who refuses or resists mediation shall not be entitled to recover prevailing party attorneys' fees.

**5. ARBITRATION OF DISPUTES:**

A. Explanation: Arbitration is a private dispute resolution process in which Parties (by themselves or through their attorneys) submit disputes to a neutral arbitrator who is charged with rendering a fair and impartial decision as to all issues presented. When arbitration is selected, the Parties give up their rights to trial by judge or jury and to full and formal court process. Basic discovery rights (e.g., depositions, document production) are provided for under California law. Rules of evidence and procedure are less rigid than in trial court. Arbitration fees are typically on an hourly basis. The decision of the arbitrator is final and binding on all Parties to the arbitration agreement (Paragraph 5.B.). The arbitrator can award compensatory damages, punitive damages, and/or order specific performance, injunctive relief and declaratory relief. No trial or other court process is available to re-try the case or to appeal the merits of the arbitrator's ruling. This means that even when a party claims the arbitrator made a clearly wrong decision, based on a misunderstanding of fact or of law or an unwillingness to follow the law, that decision nevertheless remains final and unappealable. Only cases of actual fraud in the arbitration process, corruption, bias, lack of due process or jurisdiction, or arbitrator's computation error, can an award be vacated or modified. The Parties are advised to confer with legal counsel for advice before committing to binding arbitration.

B. Arbitration Process, Election to Arbitrate: Any dispute arising out of this transaction shall be decided by neutral binding arbitration (in accordance with Chapter 3, Title 9, of the California Code of Civil Procedure (CCP Section 1283.05) including, but not limited to, the right of discovery), and not by court action, except as provided by California law for judicial review of arbitration proceedings. The arbitrator shall be a retired Superior Court judge or a licensed California attorney with at least five years real estate experience. If the parties cannot agree on an arbitrator, the Superior Court of Santa Clara County shall appoint the arbitrator. The filing of an action in a court of competent jurisdiction to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a waiver of the right to mediation or arbitration under this Purchase Contract, regardless of whether the said complaint includes causes of action not necessary to the recordation of the notice of pending action. The Parties agree that, in the event of such court filing, it would be appropriate for the court to issue an order staying proceedings therein, pending the completion of mediation or arbitration under this Purchase Contract. The filing of such judicial action shall not constitute a waiver of mediation or arbitration rights or the prevailing party's right to receive attorney's fees and costs. Exclusions from arbitration: unlawful detainer, foreclosure-related actions, and matters within Small Claims Court jurisdiction.

“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 TO A JURY TRIAL. BY INITIALING IN THE SPACE BELOW, YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS SUCH 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 THIS ‘ARBITRATION OF DISPUTES’ PROVISION TO NEUTRAL ARBITRATION.”

Buyer's Initials : (\_\_\_\_/\_\_\_\_)      Seller's Initials: (\_\_\_\_/\_\_\_\_)

**6. CONDITIONS RELATING TO TITLE:**

A. Title/Title Documents: Seller shall provide to Buyer as specified in Paragraph 12.C. a current Preliminary Title Report; a sample copy of the Lease; Covenants, Conditions and Restrictions (“CC&Rs”), Homeowner's Association Bylaws, and Rules and Regulations, if any. This Purchase Contract is contingent upon Buyer's written approval of these documents in accordance with the provisions of Paragraph 12 hereof. Title to the leasehold interest shall be

free of liens, encumbrances, easements, restrictions, rights and conditions of record and/or known to Seller, other than the following: (a) easements, covenants, conditions, restrictions, setback lines, assessments of record, if any; (b) zoning regulations; (c) current property taxes of record; (d) other items herein set forth, including the Lease from Stanford; and (e) \_\_\_\_\_.

B. Transfer of Title: Title to the Property shall be transferred, at Stanford's sole discretion, by a Lease or by an Assignment of Lease, alternatively ("Conveyance Document"), which Conveyance Document shall be furnished by Stanford and shall require that the Eligible Person occupy the Property as his/her principal place of residence. Buyer's leasehold interest shall vest by recordation in the Recorder's Office of Santa Clara County of either the Conveyance Document or a Memorandum of Conveyance Document, at Stanford's discretion.

C. Title Insurance: Buyer shall be provided with a CLTA residential or an extended coverage title insurance policy ("Owner's Title Insurance") showing title vested in the Eligible Person, subject only to the exceptions set forth in Subparagraph 6.A. above. If, after Buyer removes the contingency set forth in Paragraph 6.A., Seller fails to deliver title as set forth above, Buyer may terminate this Purchase Contract and shall recover the Deposit.

Buyer \_\_\_\_ Seller \_\_\_\_\_ to pay for Owner's Title Insurance.

If a lender's policy is required, Buyer shall pay its cost.

D. Public Improvement Bonds and Assessments: Bonds and Assessments (e.g., Mello-Roos, 1915 Improvement Bonds) levied by special assessment districts now a lien shall be paid current by Seller at Close of Escrow. Buyer shall be responsible for payments not yet due.

E. Property Taxes: Property taxes will be reassessed upon change of ownership. Upon Buyer's request, Seller will furnish to Buyer a copy of Seller's current real property tax bill. The Santa Clara County Tax Assessor will furnish to Buyer after the Close of Escrow a supplemental tax bill, which bill may reflect an increase or decrease in real property taxes based on the value of the Property. Buyer will be required to complete a "Preliminary Change of Ownership Report" prior to recordation of the Conveyance Document, which report shall be furnished to Buyer by Title Company. Supplemental taxes shall be paid as follows: (1) for periods before Close of Escrow, by Seller; (2) for periods after Close of Escrow, by Buyer.

#### 7. DISCLOSURES:

Unless the transaction is exempt by law, Seller, Listing Agent (if any) and Selling Agent (if any, and if such signature is required by law) shall duly complete and provide to Buyer, within the time specified in Paragraph 12.C., the following disclosures:

A. Lead-Based Paint and Lead-Based Paint Hazard Disclosure, Acknowledgment and Addendum: Seller will furnish to Buyer within the time specified in Paragraph 12.C. a Lead-Based Paint and Lead-Based Paint Hazard Disclosure, Acknowledgment and Addendum, and the booklet "Protect Your Family From Lead In Your Home" ("Lead Disclosures"). Lead Disclosures sent by mail must be sent certified mail or registered mail, return receipt requested.

Upon delivery of the Lead Disclosures, Buyer shall have three (3) Days, if delivered in person, or five (5) Days if delivered by mail, to terminate this Purchase Contract on the basis of the information contained in the Lead Disclosures.

B. Real Estate Transfer Disclosure Statement and PRDS Supplemental Seller Checklist: Unless the transaction is exempt under California law, Seller shall provide to Buyer within the time specified in Paragraph 12.C. a completed Real Estate Transfer Disclosure Statement ("TDS") and a PRDS Supplemental Seller Checklist. Upon delivery of the TDS and the PRDS Supplemental Seller Checklist, Buyer shall have three (3) Days, if delivered in person, or five (5) Days if delivered by mail, to terminate this Purchase Contract on the basis of the information contained in the TDS and/or the PRDS Supplemental Seller Checklist.

C. Natural Hazard Disclosure: Seller will furnish to Buyer within the time specified in Paragraph 12.C. the Natural Hazard Disclosure. Upon delivery of the Natural Hazard Disclosure, Buyer shall have three (3) Days, if delivered in person, or five (5) Days if delivered by mail, to terminate this Purchase Contract on the basis of the information contained in the Natural Hazard Disclosure.

D. Alterations: Seller is obligated under California law to disclose to a Buyer any additions or alterations to the Property made by Seller (or otherwise known to Seller) without the benefit of necessary and appropriate governmental permits and final approvals. There are risks in purchasing property on which unpermitted work has been done, including (1) the risk of mandated remediation or removal of unpermitted work, prohibition of its use as "habitable living space," or denial of permits for either unrelated work; (2) the risk that the property may be in violation of zoning, use and/or occupancy limit ordinances (e.g., by existence of an illegal "in-law" unit), requiring removal or discontinued use; (3) the risk of possible hazardous condition; (4) the risk that a lender's appraisal of the Property and the decision to extend financing could be adversely affected; and (5) the risk that Homeowner's Insurance coverage may not be available or that homeowner claims might be denied and/or coverage cancelled. Buyer should analyze the Property's building permit file, the contents of which may indicate whether structural modification and other items of construction were done with benefit of properly issued building permits, including written final inspections by an appropriate County official. Entries in building files are subject to interpretation and Buyer should rely only on a construction professional for analysis of the permit file's contents. Buyer understands that some building permit file documentation may be incomplete, illegible, incorrect or missing. Permit status is often impossible to establish. Buyer is alerted that the County of Santa Clara, Stanford, and certain other governmental agencies (e.g., FEMA) impose limitations and restrictions regarding house size, configuration, design, materials and other matters (including possible "historic landmark" status) affecting home construction. If Buyer intends ever to expand or alter the Property, Buyer should consult with the appropriate professionals, Stanford's Faculty Staff Housing Office, and governmental agencies. If Buyer has been given timely and sufficient notice that improvements on the Property have been made without necessary permits or approvals, Buyer assumes all risk, liability and expense for bringing such improvements into legal compliance. Seller shall also disclose any notices of violations of Stanford, County, State or Federal building, zoning, fire, or health codes.

E. Hazardous Material/Toxic Contamination/Environmental Hazards: Buyer is hereby informed that certain materials used in sprayed-on and acoustical ceilings, heating ducts, floor coverings, insulation and other elements and systems of a home may contain asbestos. Some properties also may contain radon, formaldehyde, lead-based paint, or other possibly hazardous substances. Potentially hazardous contaminants have also been identified in the surface and sub-surface soil and groundwater of certain residential sections of the San Francisco Bay Area. If Buyer desires further information regarding the possible hazards mentioned above, Buyer is advised to engage qualified experts and make inquiries of appropriate governmental officials, for such hazards as asbestos, formaldehyde, radon, methane, lead-based paint, fuel tanks, contaminated soil or water, hazardous waste, waste disposal sites, electromagnetic fields and other conditions.

F. Mold/Allergens: Buyer is hereby informed that mold, fungi, spores, pollens and/or other botanical substances and/or allergens (e.g., dust, pet dander, insect material, etc.) affect almost all properties. These substances may be either visible or invisible, may adhere to walls and other accessible and inaccessible surfaces, may be embedded in carpets or other fabrics, may become airborne, and may be mistaken for other household substances and conditions. Exposure to certain molds may lead to potential health consequences for some individuals. Mold generally exists in structures such as homes when moisture (water) is or has been present. If any disclosure or inspection report reveals past or current moisture problems, mold may be present or may develop. Accordingly, Buyer is advised to consider engaging the services of an environmental or industrial hygienist (or other qualified professional) to (1) inspect and test for the presence of harmful botanical and other allergen and substances as part of Buyer's physical inspection of the Property, and (2) advise Buyer regarding level of health-related risk involved and the advisability and feasibility of eradication and abatement. Buyer is expressly cautioned as to the very limited and uncertain capabilities of Buyer and Seller and general property inspection services in recognizing and detecting the existence of any type of mold and/or other allergens and botanical substances. For further information on this topic, contact California Department of Health Services' Indoor Air Quality Assistance Line 510-620-2874 or visit its website at [www.cal-iaq.org](http://www.cal-iaq.org).

G. Soils And Terrain Stability, Suitability: Soils native to the greater Bay Area are historically expansive in nature and inconsistent and unreliable in behavior and performance. Property may be subject to earth movement, drainage, and structural/foundation problems not visible upon inspection by Buyer. Moreover, a general physical inspection of Property will not suffice as a current soils report (old soils reports may not account for current soils conditions). Buyer is hereby informed that soils conditions and terrain may limit or restrict construction of additional improvements. Buyer is advised to inspect and investigate the Property regarding such matters as soil composition, drainage, stability and absorption, landslides and erosion, proximity to fault lines and the suitability of the Property for any existing or proposed structures or modifications.

H. Water Systems: Buyer should check water source regarding the quantity and quality of water. Buyer is advised to be aware of the possibility of periodic water rationing, and the possible effect on Buyer's use and enjoyment of the Property as a result thereof.

I. Property Lines and Boundaries: Buyer is alerted that Seller has not undertaken a survey of the Property, and that such apparent boundary indicators as fences, hedges, walls and other natural or constructed barriers or markers may or may not represent the true boundary lines of the Property and are often off line. Buyer is advised to engage a professional surveyor if Buyer desires to determine precise lot line locations.

J. Megan's Law (Sex Offender Database): Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by The Department of Justice at [www.meganslaw.ca.gov](http://www.meganslaw.ca.gov). Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides.

K. Impacted Public Schools: Due to increased enrollments in the Palo Alto Public Schools, the district may not be able to guarantee that incoming students will be admitted to schools closest to family homes. Buyer should consult directly with local school districts regarding available classroom space.

L. Noise: The Bay Area is served by three international airports, several municipal airports and Moffett Field. Virtually all residential areas are overflowed by aircraft at noise and frequency levels that vary depending on aircraft type, size, route and altitude, on weather and on the Property's proximity to flight paths and airports. Similarly, noise produced by train, bus, light rail, freeways and other causes can be an annoyance or intrusion, depending on the individual. Buyer should inquire of transportation agencies and visit the Property at various times to witness noise levels first hand and determine whether they are acceptable. Other noises particular to the campus of a large University include students, construction, commercial vehicles and special events.

M. Neighborhood Conditions: Buyer should investigate the neighborhood or area conditions including, but not limited to, schools, proximity and adequacy of law enforcement, fire protection and other governmental services, proximity to major entertainment venues, student, commercial, industrial, or agricultural activities, criminal activity, transportation issues, present or future construction and development that may affect view or increase traffic, noise or odor from any source, wild and domestic animals, and conditions and influences significant to certain cultures/religions.

**N. NOTICE OF YOUR "SUPPLEMENTAL" PROPERTY TAX BILL:** California property tax law requires the Assessor to revalue real property at the time the ownership of the property changes. Because of this law, you may receive one or two supplemental tax bills, depending on when your loan closes. The supplemental tax bills are not mailed to your lender. If you have arranged for your property tax payments to be paid through an impound account, the supplemental tax bills will not be paid by your lender. It is your responsibility to pay these supplemental tax bills directly to the Tax Collector. If you have any questions concerning this matter, please call your local Tax Collector's Office.

O. Property Disclosures: When applicable to the Property, Seller shall provide to Buyer, at Seller's expense and within the time specified in Paragraph 12.C. the following Disclosures:

- (1) Disclosure Statement Regarding County Geologic Hazard Zones
- (2) Environmental disclosure report (limited to filed governmental reports)
- (3) Natural Hazards report (including any Mello-Roos and 1915 Special Assessment information)
- (4) Smoke Detector Statement of Compliance
- (5) Water Heater Statement of Compliance
- (6) Environmental Hazards: A Guide For Homeowners, Buyers, Landlords and Tenants
- (7) The Homeowners Guide to Earthquake Safety, including the completed Residential Earthquake Hazards Report (Questionnaire)
- (8) Santa Clara County Right To Farm Ordinance (an agricultural disclosure)
- (9) Notice of Your "Supplemental" Property Tax Bill
- (10) Stanford University Residential Property Disclosure
- (11) New Housing
- (12) Condominium/PUD (Common Interest Subdivision) and the PRDS Request for Homeowner Association (HOA) Documents
- (13) Peter Coutts Hill Groundwater
- (14) Pearce Mitchell House's Owners' Association University Related Agreement
- (15) Seller Financing Disclosure Statement
- (16) Tax Status Reports: Seller and Buyer agree to execute any instrument, affidavit, statement, or instruction reasonably necessary as a declaration of Federal and California tax status ("FIRPTA" form)

Caution: As to all non-exempt transactions, completion of the Disclosure Documents is required even where the Seller has little or no knowledge of the Property. Even where the Property is part of a Decedent's trust or estate (or occupies some other TDS-exempt status), the executor, trustee, personal representative or other exempt seller is nonetheless legally obligated to disclose to Buyer all material facts of which the Seller is aware, negatively bearing on value or desirability of the Property.

Those completed Disclosures, if any, that the Buyer has already received, read and signed prior to Acceptance are indicated here:

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**8. INSURANCE CONTINGENCY:**

This Purchase Contract is contingent upon Buyer's ability to obtain property insurance, as required by Buyer's lender and pursuant to the Conveyance Document.

**9. CONDITION OF PROPERTY:**

Buyer understands that the removal of the inspection contingency shall constitute Buyer's acceptance of the Property as to each of the matters and concerns set forth in this Paragraph 9 and each subparagraph hereof. If Buyer finds any deficiencies not covered by the repair and maintenance set forth in Paragraph 11 that are unacceptable to Buyer in Buyer's reasonable judgment, then Buyer may either cancel this Purchase Contract or remove the contingency in accordance with the terms of Paragraph 12 hereof. Seller shall have water, gas and electrical utilities turned on for Buyer's inspections and through the date possession is made available to Buyer.

A. Inspection Contingency: This Purchase Contract is contingent upon Buyer's approval of the condition of the Property. Buyer shall have the right, at Buyer's expense, to select licensed contractors and/or other qualified professionals to inspect and investigate the Property, including but not limited to, the foundation, roof, heating, electrical, plumbing, air conditioning, pool, spa and hot tub, the presence of any health hazards (including, but not limited to, asbestos, radon gas, formaldehyde and other toxic substances), soils and geological conditions, boundary lines, setbacks, compliance with zoning ordinances, building codes, and any other factor that may affect the value or desirability of the Property. No inspections may be made by any building department inspector or government employee without the prior written consent of Seller.

B. Buyer's Indemnification: Buyer warrants that, during the inspection period, Buyer will keep the Property free and clear of any liens, and Buyer hereby indemnifies and holds Seller and Stanford free and harmless from any liability, claim, demand, damages, or cost arising out of Buyer's inspections. Buyer further warrants that Buyer will repair all damage to the Property arising from any and all of the inspections conducted hereunder. Seller shall make the Property reasonably available for such inspections. Buyer agrees to furnish Seller, at Seller's request and at no cost to Seller, all written reports obtained by Buyer concerning the Property.

**10. STRUCTURAL PEST CONTROL CERTIFICATION:**

A. Within \_\_\_\_\_ days after Acceptance, Buyer \_\_\_\_\_ Seller \_\_\_\_\_ shall provide, at Buyer's \_\_\_\_\_ Seller's \_\_\_\_\_ expense, a current written report of an inspection by a licensed Structural Pest Control Operator of the main building, all attached structures, the garage and/or carport (attached or detached), decks and other structures including \_\_\_\_\_ ("Report").

Unless otherwise agreed in writing, said Report shall control as to findings, recommendations, and types of treatment/remediation, and shall supersede any other existing Reports (including any prior Reports previously delivered by Seller to Buyer). If checked here \_\_\_\_\_ however, Buyer acknowledges prior receipt from Seller of a current Report, and it is agreed that said document shall be accepted by Buyer and Seller as the operative Report.

B. Subject to Paragraph 11, Seller shall pay for all ("Section I") work described in the Report and shall, prior to Close of Escrow, provide a Certification (conforming with Structural Pest Control Board regulations) from a licensed structural pest control operator that generated the Report (or from another licensed structural pest control operator, if agreed in writing by the Seller and Buyer) that the Property is free from active infestation and/or infection as described in the Report. Seller shall not be responsible for: (1) Section I items that are the responsibility of the subject Homeowner's Association (HOA) pursuant to CC&Rs and/or rules and regulations or (2) Section II items, except as may be otherwise required elsewhere in this Purchase Contract.

C. If Seller's personal property renders certain areas of the Property inaccessible for inspection, then Seller shall make the area accessible and pay for the supplemental report and for any Section I work disclosed by such supplemental report.

D. If inspection of any other inaccessible area is recommended in the report, Buyer shall have the right to such additional inspections if Buyer so requests within \_\_\_\_\_ days from receipt of the report. Buyer's failure to request such additional inspection within said period shall constitute a waiver of this right. If no further Section I findings are revealed pursuant to this supplemental report, the supplemental report and entry/closure costs shall be paid by Buyer. If further Section I findings are revealed by this supplemental report, Seller shall pay for any such Section I work and for the entry/closure costs.

E. If fumigation is required by Report and is scheduled to take place prior to the Close of Escrow, Seller shall comply with the fumigation contractor's guidelines, including those relating to landscape preservation. Buyer acknowledges that there may be damage caused to landscaping due to tenting of the house, and Buyer agrees to take Property subject to any such damage. In addition, Buyer and Seller acknowledge that, even where installation and removal of tenting is undertaken with care and within professional standards, damage to tile or other roof coverings frequently occurs. Seller shall remain financially responsible for the repair and, if necessary, replacement of roof coverings damaged in the tenting process. Upon completion of fumigation, Seller shall ensure that all utilities and services (e.g., electric, gas and water) on the Property are fully restored and rendered operational. If it is agreed that fumigation is to take place after the Close of Escrow, it shall be completed as soon as practicable. Buyer shall have 15 days from removal of the tenting within which to make written claim against Seller for related roof damage; otherwise, Buyer waives the right to make such claim.

**11. SELLER'S REPAIR/MAINTENANCE OBLIGATIONS:**

Seller's responsibility for the condition of the Property at close of escrow shall be as follows. Check either Paragraph A or B; Do not initial both.

A. Seller Warranty: (\_\_\_\_/\_\_\_\_)

(1) Seller warrants that Seller shall, at Seller's expense, deliver the Property to Buyer at Close of Escrow as follows:

(i) (a) Roof/skylights (excluding gutters) shall be water-tight, (b) Built-in appliances, plumbing, heating, air conditioning, electrical, solar, security/alarm, water, sprinkler, sewer/septic and pool/spa systems, if any, shall be operative ("operative" does not mean "in compliance with building codes"); (c) Plumbing systems, shower pans and shower enclosures shall be free of leaks; (d) Structural defects in chimneys and fireplaces, including dampers, shall be repaired; (e) All broken or cracked glass shall be replaced (not to include seal-failure of thermopane windows or skylights).

(ii) Seller's personal property not included in the sale shall be removed by Seller prior to Close of Escrow.

(2) Seller's repair obligations pursuant to this Paragraph 11.A. are limited to deficiencies known or discovered before Close of Escrow. Unless otherwise agreed, Seller shall not be required to repair or replace items not covered by this Paragraph 11.A. The TDS and other disclosures do not eliminate Seller's repair obligations unless otherwise agreed to in writing between Buyer and Seller.

(3) All repairs shall be made prior to Close of Escrow by a licensed contractor, using materials of comparable quality to those of the rest of the Property, performed in a workmanlike manner, and in compliance with all applicable building codes and permit requirements. Buyer may make, prior to the Close of Escrow, a final inspection of the Property, not as a contingency of sale, but solely to confirm that all repairs have been completed and that the Property, including landscaping, is in the same general condition as of Acceptance.

B. "AS-IS" Provision: (\_\_\_\_/\_\_\_\_)

The Property is sold "As-Is" in its present condition, as of the date of Acceptance, without warranty. Seller shall not be responsible for making any corrections or repairs of any nature, but acknowledges a continuing obligation to:

(1) fully disclosure to Buyer (Paragraph 7) and to comply with smoke detector, water heater and all other government-mandated point-of-sale requirements, and

(2) maintain the Property, including pool/spa (if any), landscaping and grounds in substantially the same condition as on the date of Acceptance, and

(3) understands that the Buyer retains the right to secure comprehensive inspections of the Property, and retains all contingency rights provided for in the Purchase Contract.

There are NO EXCEPTIONS to this "AS-IS" provision or, if checked here \_\_\_\_\_  
EXCEPTIONS AS FOLLOWS:

\_\_\_\_\_ Paragraph 10, is made a part of this Purchase Contract and/or \_\_\_\_\_ other:

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C. Seller's Obligation to Maintain Property During Escrow: During the time period between Acceptance and Close of Escrow, Seller shall maintain the Property, including landscaping in no less than the same general condition as at time of Acceptance. Additionally, personal property not included in the sale and debris shall be removed by Seller prior to the date Seller delivers possession of the Property and, unless otherwise agreed, the Property shall be delivered to Buyer in no less than "broom clean" condition.

D. If the improvements are destroyed or materially damaged prior to Close of Escrow, then, at the option of Buyer, Buyer shall have the right to terminate this Purchase Contract and recover the full deposit. If Buyer elects to complete the purchase of the leasehold improvements, and such loss is covered by insurance, Seller shall assign to Buyer the benefits of any existing insurance policy covering said loss.

**12. CONTINGENCY REMOVAL:**

The contingency removal mechanism provided for in this Purchase Contract is "Active Contingency Removal." This means that, unless and until the holder to a particular contingency made part of this Purchase Contract delivers to the other party a written contingency removal thereof, said contingency remains intact; its holder is not yet obligated to close escrow and ordinarily can request return of deposited funds by exercising the contingency right, even if belatedly. CAUTION: The contingency holder's failure or refusal to remove a contingency within its allocated time period (see time periods specified below) shall, however, render this Purchase Contract subject to cancellation by the other party until such time as said contingency is removed.

If the time period is specified as "0" days, then the contingency is deemed waived. Removal or waiver of a contingency means that the contingency holder has become fully satisfied as to that condition or item and is expressly eliminating that contingency as a pre-condition to proceeding with the transaction.

The following contingencies, if applicable, are to be removed in writing within the agreed upon times:

A. Financing Contingency (Paragraph 1.J.) shall be removed on or before \_\_\_\_\_ Days from Acceptance. Buyer shall verify all loan terms directly with lender prior to removing the Financing Contingency.

B. Appraisal Contingency (Paragraph 1.K.) shall be removed on or before \_\_\_\_\_ Days from Acceptance.

C. Seller shall deliver to Buyer, within \_\_\_\_\_ Days from Acceptance, those documents to be provided by Seller necessary to remove Buyer's contingencies in Paragraph 12.D.

D. The following contingencies shall be removed on or before \_\_\_\_\_ Days from Acceptance, unless such time limit is extended pursuant to Paragraph 12.E.

- (1) Title Documents (Paragraph 6.A.)
- (2) Disclosures (Paragraph 7)
- (3) Insurance (Paragraph 8)
- (4) Condition of Property (Paragraph 9)
- (5) Other: \_\_\_\_\_

E. If Buyer requests that Seller make repairs or corrections not otherwise required by this Purchase Contract, then:

- (1) Buyer shall, within the time period specified in Paragraph 12.D. above, deliver to Seller written notice of such items of repair or correction.
- (2) Seller shall have \_\_\_\_\_ days from receipt of such notice in which to respond to Buyer in writing.
- (3) If Seller agrees, in writing, to all of Buyer's requests, then Buyer shall promptly remove the Condition of Property contingency.
- (4) If Seller indicates that Seller does not agree to one or more of Buyer's requests, or if Seller does not respond within the aforementioned time period, Buyer shall have \_\_\_\_\_ days after the first to occur of (i) the receipt of Seller's written response or (ii) after the expiration of time within which Seller is required to respond, in which to either remove the Condition of Property contingency or to cancel this Purchase Contract.
- (5) If Buyer does not give such written notice of cancellation or fails to remove the Condition of Property contingency within the aforementioned time period, Seller shall have the right to cancel this Purchase Contract by giving written notice to Buyer.
- (6) If Buyer properly exercises a right of cancellation under this Purchase Contract, Buyer shall be entitled to a refund of Buyer's deposit, less any non-reimbursable fees and costs, and Buyer and Seller agree to sign mutual escrow instructions to this effect. NOTE: Seller's unreasonable refusal to cooperate in the release to Buyer of deposited funds upon Buyer's due exercise of contingency rights exposes Seller to monetary sanctions and attorney's fees, according to statute, Civil Code Section 1057.3.

**13. LEGAL NATURE OF AGREEMENT:**

A. Entire Agreement; Addenda: This Purchase Contract is intended by the Buyer and Seller to be the full and final expression of their agreement. It shall not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. The captions in this Purchase Contract are for reference only. This Purchase Contract may not be amended, modified, altered, or changed in any respect whatsoever except by a further agreement in writing executed by Buyer and Seller. In order to be made part of this Purchase Contract, a proposed addendum must be not only executed by all parties, but also delivered back to the generating party in a timely fashion.

- B. Time: Time is of the essence in this Purchase Contract. Extensions, if any, must be agreed in writing by both Parties.
- C. Legal Action: If any party to this Purchase Contract shall institute any legal action against the other party to this Purchase Contract, the prevailing party shall be entitled to court costs and reasonable attorneys fees in addition to any other judgment of the court. For purposes of this Purchase Contract, the term "prevailing party" means the party that received substantially the relief requested, whether by settlement, dismissal, summary judgment, mediation, arbitration, judgment or otherwise.
- D. Representations: By acceptance hereof, Seller represents that Buyer has no notice of violations relating to the Property from Stanford, the County of Santa Clara or the State of California.
- E. Eligibility: Buyer and Seller acknowledge that Stanford will not consent to the transfer contemplated by this Purchase Contract to Buyer unless Buyer is an Eligible Person, as defined by Stanford from time to time.
- F. Binding Agreement: This Purchase Contract is binding upon the heirs, executors, administrators, successors and assigns of Buyer and Seller, and shall survive the Close of Escrow.
- G. No Representations: Buyer and Seller hereby acknowledge and agree that they have not received or relied upon any legal or tax advice or any representations by Stanford including, without limitation, the legal sufficiency or effect of this Purchase Contract or the Federal, State or County tax consequences of the subject transaction, and that if they desire any legal or tax advice they shall consult with their own attorney and/or tax advisor.
- Buyer: (\_\_\_\_/\_\_\_\_)                      Seller: (\_\_\_\_/\_\_\_\_)
- H. Governing Law: This Purchase Contract and all other instruments referred to herein shall be governed by, and shall be construed according to, the laws of the State of California. For the purpose of all disputes arising out of or under this Purchase Contract, the exclusive venue for any judicial or arbitration proceedings shall be deemed to be in the County of Santa Clara.
- I. Delivery: Leasehold title to the Property shall be delivered to Buyer on the Close of Escrow.

**14. DEFAULT AND REMEDIES:**

- A. Buyer's Default: Should escrow not close due to a default by Buyer, Seller's entitlement to damages shall be limited pursuant to Paragraph 3 (if such provision has been initialed by both Parties). If such provision is not initialed by both Parties, Buyer may be liable to Seller for additional damages including, but not limited to, consequential damages (e.g., "PITI", etc.).
- B. Seller's Default: Should escrow not close due to a default by Seller, or if Seller does not otherwise perform under this Purchase Contract, Seller may be liable for Buyer's damages including, but not limited to, consequential damages (e.g., temporary housing arrangements, storage costs, etc.).

C. Other Non-Performance: If either Buyer or Seller fails to perform pursuant to any aspect of this Purchase Contract, the defaulting party may be liable for the other party's damages (e.g., consequential damages, including but not limited to, "PITI", etc.).

15. DEFINITIONS:

As used in this Purchase Contract, the following terms shall have the following meanings:

- A. Unless otherwise required by law, "days" means calendar days,
- B. "Days from Acceptance" means the specified number of calendar days after Acceptance, not counting the calendar date of Acceptance.
- C. "Close of Escrow" means the date the Conveyance Document is recorded in the Office of the County Recorder of Santa Clara County.
- D. "Repairs" mean alterations, repairs, replacement or modifications of or to the Property.
- E. Singular and plural terms each include the other, when appropriate.

16. HOME PROTECTION PLAN:

A home protection plan ordered by;

\_\_\_\_\_ Buyer

\_\_\_\_\_ Seller

at a cost not to exceed \$\_\_\_\_\_ (including any options) shall be paid for by;

\_\_\_\_\_ Buyer

\_\_\_\_\_ Seller or

\_\_\_\_\_ prorated equally between Buyer and Seller.

17. EQUAL HOUSING OPPORTUNITY:

The Property is sold in compliance with federal, state and local anti-discrimination laws.

18. CLOSE OF ESCROW CONDITIONS AND INSTRUCTIONS:

A. Transfer of title/recording shall be on \_\_\_\_\_ (date). Any change in this date must have the mutual written consent of Buyer and Seller.

B. Possession: Seller shall deliver possession of the Property to Buyer:

\_\_\_\_\_ at noon on the date of recording,

\_\_\_\_\_ not later than \_\_\_\_\_ days after the date of recording, or

on \_\_\_\_\_ (date).

C. Funds placed in the Escrow Holder's Account of the Title Company will not be released automatically. A release signed by all parties will be required prior to any disbursement.

19. PRORATIONS:

A. Property Taxes: Taxes for the fiscal year, interest on any loan assumed by Buyer, homeowners association dues, other \_\_\_\_\_ shall be prorated:

\_\_\_\_\_ from date of recording, or  
\_\_\_\_\_ from \_\_\_\_\_ (date).

B. Escrow Fees: Escrow fees shall be paid by:

\_\_\_\_\_ Buyer  
\_\_\_\_\_ Seller or  
\_\_\_\_\_ prorated equally between Buyer and Seller.

C. Transfer Taxes: Santa Clara County Real Property Transfer Tax shall be paid by:

\_\_\_\_\_ Buyer  
\_\_\_\_\_ Seller, or  
\_\_\_\_\_ prorated equally between Buyer and Seller.

20. ADDITIONAL CONTRACT DOCUMENTS:

The following forms, if checked below, shall be part of this Purchase Contract:

- A. \_\_\_\_\_ PRDS Common Interest Development Addendum;
- B. \_\_\_\_\_ PRDS Seller/Other Finance Addendum;
- C. \_\_\_\_\_ Interim Occupancy Agreement (Buyer in Possession);
- D. \_\_\_\_\_ Residential Lease Agreement after Sale (Seller in Possession);
- E. \_\_\_\_\_ Other: \_\_\_\_\_  
\_\_\_\_\_

21. OTHER TERMS AND CONDITIONS:

This Purchase Contract is further subject to any items checked below:

- A. \_\_\_\_\_ Approval of Buyer's appointment to a position that would qualify the Buyer as an "Eligible Person" as that term is defined from time to time by Stanford.
- B. \_\_\_\_\_ Subject to sale of Buyer's residence located at \_\_\_\_\_ by \_\_\_\_\_ (date).
- C. \_\_\_\_\_ Stanford's "Two Homes" Letter
- D. Other: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**22. OFFER:**

A. I hereby agree to purchase the Property on the terms and conditions stated herein. I acknowledge that I have read this Purchase Contract prior to signing and have received a copy thereof.

Date: \_\_\_\_\_ Buyer: \_\_\_\_\_  
(Printed Name)

Signature: \_\_\_\_\_

Date: \_\_\_\_\_ Buyer: \_\_\_\_\_  
(Printed Name)

Signature: \_\_\_\_\_

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

Telephone: (\_\_\_\_) \_\_\_\_\_ (h) Fax: (\_\_\_\_) \_\_\_\_\_

Telephone: (\_\_\_\_) \_\_\_\_\_ (w) Email: \_\_\_\_\_

**23. EXPIRATION:**

This Purchase Contract constitutes an offer to purchase the Property. Unless acceptance is signed by Seller and a signed copy delivered to Buyer, in person or by mail to the address below, or delivered to \_\_\_\_\_, by \_\_\_\_\_ (time) on \_\_\_\_\_ (date), this offer shall be deemed revoked and the Deposit shall be returned to the Buyer.

**24. COUNTER OFFER:**

When Seller's initials are placed here (\_\_\_\_/\_\_\_\_), Seller's acceptance is made conditional upon Buyer's written acceptance of the attached Counter Offer.

25. ACCEPTANCE:

Seller accepts the foregoing offer and agrees to sell the Property described herein on the terms and conditions set forth herein in this Purchase Contract. Seller acknowledges receipt of a copy hereof. All paragraphs with spaces provided for initials by Buyer and Seller are incorporated herein only if the spaces are initialed by both Parties. If only one party initials and the other party does not, no contract is formed between the Parties unless and until a counter offer resolving the inconsistency is executed by both Parties.

Date: \_\_\_\_\_ Seller: \_\_\_\_\_  
(Printed Name)

Signature: \_\_\_\_\_

Date: \_\_\_\_\_ Seller: \_\_\_\_\_  
(Printed Name)

Signature: \_\_\_\_\_

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

Telephone: (\_\_\_\_) \_\_\_\_\_ (h) Fax: (\_\_\_\_) \_\_\_\_\_

Telephone: (\_\_\_\_) \_\_\_\_\_ (w) Email: \_\_\_\_\_