



A Guide to the Stanford University Real Estate Purchase Contract and Receipt For Deposit

Overview

A Guide To The Stanford University Real Estate Purchase Contract And Receipt For Deposit (Guide) offers a step-by-step explanation of and instructions for completing the Stanford University Real Estate Purchase Contract And Receipt For Deposit (Purchase Contract) provided by Stanford University (Stanford) to prospective buyers and sellers for the purchase and sale of campus residential leasehold interests (Property). Title to the Property shall be transferred, at Stanford's sole discretion, by a Lease or by an Assignment of Lease (Conveyance Document). The Purchase Contract is tailored to the unique characteristics of Stanford's residential subdivisions and its financing programs and, in that respect only, differs from purchase contract forms generally employed in the real estate industry.

The Purchase Contract form can be obtained from Faculty Staff Housing (FSH) and on the FSH website at: <http://fsh.stanford.edu>. If you have any questions regarding the Guide or the Purchase Contract, please call FSH at 650-725-6893 or send an email to FSH at fshousing@stanford.edu.

Prospective buyers and sellers should read the Guide carefully prior to entering into a Purchase Contract for the purchase or sale of a campus residence. The combination of the Homes for Sale and Rent, the Campus Housing Sales, the Guide, and the Purchase Contract generally obviates the need for and the cost of a licensed real estate professional. Nonetheless, either the buyer or the seller may engage the services of a licensed real estate professional. Homes for Sale and Rent and the Campus Housing Sales are available on the FSH website at <http://fsh.stanford.edu>.

California law requires that an agreement authorizing or employing an agent, broker or other person to purchase or sell real estate or to procure, introduce or find a purchaser or seller of real estate and providing for compensation or commission must be in writing. If either the Buyer or Seller elects to engage a broker in connection with the transfer of a campus residential leasehold interest, the party engaging the broker may be required to pay the entire broker's fee and to indemnify the other party against any claims resulting from the involvement of the broker in the transaction.

Publications and forms listed in this Guide are available from FSH.

Buyer and Seller

If both the prospective buyer and his or her spouse or "registered domestic partner," as this term is defined by Stanford policy, will have a beneficial financial interest in the Property, they are both defined as the "Buyer." At least one of the people designated as the Buyer must be an "Eligible Person," as this term is defined by Stanford policy. If a prospective Buyer is uncertain as to whether he or she is an Eligible Person, he or she should contact FSH at 650-725-6893, or by email at fshousing@stanford.edu, or by referring to the Housing Programs Eligibility Criteria available on the FSH website at <http://fsh.stanford.edu>.

The "Seller" is both the Eligible Person and his or her spouse or registered domestic partner if they both have a financial interest in the Property, or a successor Trustee or Executor in the case of the death of the Eligible Person (i.e. if they have a legal interest in the proceeds of the sale).

Making an Offer

The Buyer must complete the Purchase Contract, initial the bottom of each page, and sign the Purchase Contract. The Buyer delivers the Purchase Contract together with a check for the initial deposit to the Seller. Whether there is prior verbal negotiation between the Buyer and the Seller as to particular terms and conditions of the Purchase Contract is up to the parties. Note, however, that under California law, verbal agreements regarding real estate matters are unenforceable. The final offer must be made to the Seller, in writing, on the Purchase Contract. No other purchase contract form will be accepted by Stanford.

Accepting an Offer

When the Seller has received a copy of the Purchase Contract signed and initialed by the Buyer, the Seller should:

1. Initial the designated paragraphs where appropriate and the bottom of each page and sign the Purchase Contract in the space indicated for Seller's acceptance. This indicates that the Seller agrees with all the terms and conditions of the Purchase Contract as they have been submitted by the Buyer; or
2. Initial the designated paragraphs where appropriate and the bottom of each page and initial the Purchase Contract in the space indicated for a Counter Offer. The Seller should sign the original offer and complete a Counter Offer form to offer alternative terms and conditions for specific provisions of the Buyer's offer with which the Seller disagrees. This indicates that the Seller does not agree with all of the Buyer's proposed terms and conditions, but does want to negotiate with the Buyer. Counter Offer forms are available from FSH; or
3. Permit the time designated for the Seller's response to lapse, there by terminating the Buyer's offer. This indicates that the Seller does not want to negotiate with the Buyer.

Completing the Purchase Contract

The following explanation follows the Purchase Contract paragraph by paragraph. A ■ indicates that action is required by the Buyer, the Seller, or both the Buyer and the Seller. Please fill in all of the areas that require action, don't leave any spaces blank. Be careful to word any additional terms or conditions as clearly as possible to avoid ambiguity.

INTRODUCTORY PARAGRAPH

- Insert the date the offer is submitted by the Buyer to the Seller.
- Insert the name of the Eligible Person.
- Insert the name of the any other person who will have a beneficial interest in the Property.
- Insert the name(s) of the Seller.
- Insert the address of the Property being sold.
- Insert the total amount, including the deposit, being offered (Purchase Price), expressed numerically.

Terms And Conditions Of Sale

1. Financing Terms

A. Initial Deposit

The purpose of a Deposit is to provide assurance to the Seller that the Buyer's interest is serious. The Deposit comprises both the Initial Deposit and the Additional Deposit. Escrow is the period of time between the date of execution by both parties on either the Purchase Contract or Counter Offer, as the case may be, and either (a) the close of escrow or (b) termination of the Purchase Contract by the parties. During the escrow period, the Seller delivers the Conveyance Document to a title company; the Buyer and the Buyer's lender deposit all funds; and the Buyer, the Seller, and designated parties acting on their behalf, fulfill all other conditions contained in the Purchase Contract.

Typically, a personal check is used to make the initial deposit. By long campus custom, the amount of the initial deposit is usually \$1,000.00, although the Buyer and the Seller may negotiate a different amount.

The Initial Deposit check should be made payable to the order of the title company at which the escrow is or will be opened (Title Company). Historically, FSH has recommended First American Title Company on San Antonio Road in Los Altos. First American Title Company is very familiar with the Conveyance Document and the procedures of FSH, but the Seller may designate a Title Company of their own choosing. The Initial Deposit check should be attached to the Purchase Contract and delivered to the Seller when the offer to purchase is made. Once the Purchase Contract has been fully executed (i.e. signed and dated by both the Buyer and the Seller), the Seller should deliver a copy of the Purchase Contract, together with the deposit check, to FSH. FSH will take all of the necessary steps to open the escrow at the Title Company designated by the Seller. An escrow officer and an escrow number will be assigned. The escrow number

must be used in all subsequent communications with the Title Company. The Seller may choose to deliver the Initial Deposit check directly to the Title Company.

- Insert the number of days, expressed numerically, after acceptance of the Buyer's offer within which the Seller or Stanford will deposit the Buyer's Initial Deposit with the Title Company. The number of days should take into consideration weekends and legal holidays. This is typically 1-5 days.
- Insert the name of the Title Company.
- Insert the amount of the Deposit, expressed numerically.

B. Additional Deposit

The parties may agree that the Buyer will increase the Deposit by a specific date. Typically the Deposit, including the initial deposit, is increased to three percent (3%) of the Purchase Price. This is a matter for negotiation between the parties. (See discussion below regarding Liquidated Damages.) A reason for increasing the Deposit would be typical in a situation where the escrow period is long and/or the Seller is concerned that the Buyer may rescind his/her offer for a reason other than one stated explicitly in the Purchase Contract. Generally, the Deposit is not increased until after various contingencies in the Purchase Contract have been satisfied or waived, but the parties may agree that the Deposit shall be increased earlier.

The Seller can obtain a copy of the "Receipt for Increased Deposit (Liquidated Damages)" form from FSH. The Seller must provide the Buyer with a signed copy of this form when the Additional Deposit is made. The Seller may deliver the Additional Deposit to FSH. FSH will forward the Additional Deposit to the Title Company for deposit into the escrow account; or the Seller may deliver the Additional Deposit directly to the Title Company for deposit into the escrow account.

The Deposit, including the Additional Deposit, is placed in the escrow account. If the sale is not consummated as a consequence of the Buyer's default under one or more of the conditions of the Purchase Contract and if the Buyer and the Seller have initialed the liquidated damages provision of the Purchase Contract, the Seller may keep the Deposit (up to 3% of the purchase price-see paragraph 3). However, if one or more of the Buyer's contingencies is not satisfied or extended, the Deposit will be returned to the Buyer. To effect the return of the Deposit, the Buyer and the Seller must execute a Cancellation of Contract: Agreement Regarding Disposition of Deposit; Escrow Instructions (Cancellation of Contract) and deliver it to the Title Company. The Cancellation of Contract: Agreement Regarding Disposition of Deposit; Escrow Instructions is available from FSH.

- Insert the date by which the Buyer will increase the Deposit.
- Insert the amount of the additional deposit, expressed numerically.

C. Balance Of Cash Down Payment

- Insert the amount, if any, expressed numerically, of additional cash, excluding loans, that the Buyer will contribute to the Purchase Price upon close of escrow.

D. First Deed Of Trust

The Buyer may choose to specify a maximum interest rate he/she will accept on a first mortgage loan (First Deed of Trust). Specifying a maximum interest rate provides the Buyer with the assurance that if the interest rate offered by the Buyer's first mortgage lender at the close of escrow exceeds the rate specified in the Purchase Contract, the Buyer may rescind the Purchase Contract without penalty, and have his/her deposit returned. The specification of a maximum interest rate puts the Seller at risk if interest rates rise. Generally, mortgage lenders will offer the Buyer a "rate lock" prior to the close of escrow.

- Insert the maximum acceptable interest rate, expressed as a percent.
- Insert the maximum acceptable loan fee (loan origination fee or points) expressed as a percent.
- Insert the principal amount of the first mortgage, expressed numerically.

E. Mortgage Assistance Program (MAP)

- Insert the principal amount of the Buyer's MAP loan, if any, expressed numerically.

F. Deferred Interest Program (DIP)

- Insert the principal amount of the Buyer's DIP loan, if any, expressed numerically.

G. Reduced Interest Program (RIP)

- Insert the principal amount of the Buyer's RIP loan, if any, expressed numerically.

H. Zero Interest Program (ZIP)

- Insert the principal amount of the Buyer's ZIP loan, if any, expressed numerically.

I. Other Financing Terms

Specify any financing arrangements that are not provided for in the lines above. For example, the Buyer may be receiving additional financing assistance from Stanford, his/her family or a seller might choose to lend the buyer a portion of the Purchase Price, to assist the Buyer in affording the Property. Sellers should consult their attorneys and/or tax advisors prior to offering seller financing.

- Insert the particulars of any additional financing terms.
- Insert the amount of any additional financing, expressed numerically.

J. Total Purchase Price

- Insert the total Purchase Price expressed numerically. Lines A through G must total the Purchase Price. This amount should not include points, which may be added to the first mortgage loan amount, or any closing costs.

K. Loan Application

Before an offer to purchase a Property is made, the Buyer may apply for mortgage loans from a first mortgage lender and from Stanford. The application process requires the Buyer to complete an application and provide the documents required by each lender to pre-approve the Buyer for loan amount(s), which would qualify the Buyer to purchase the Property. By providing a pre-approval letter from a first mortgage lender and/or from

Stanford at the time the offer to purchase is made lets the Seller know that the Buyer has already completed the application process. The pre-approval is not a guarantee that the Buyer can obtain the financing specified in Paragraphs 1.D, 1.E, and 1.F, 1.G, and 1.H. The lender's final approval is conditioned on the review of the Purchase Contract, the Property appraisal, the Preliminary Title Report, the Termite Report, the Buyer's updated and/or final loan application, and other terms and conditions of the purchase.

The Buyer can also discuss with a first mortgage lender or with Stanford the pre-qualification for mortgage loans. A pre-qualification does not represent a commitment from a lender. The information obtained for a pre-qualification is a verbal representation from the Buyer not yet verified by the Lender(s).

A Buyer who has not yet obtained pre-approval for loans or been pre-qualified may make an offer to purchase, and then agree to apply for financing.

Buyer should either:

- Check pre-approval if pre-approval has been obtained and provide to the Seller the pre-approval letter.
- Check pre-qualification if a pre-qualification has been obtained and provide to the Seller the pre-qualification letter.
- Check that Buyer will apply for mortgage loan(s) and specify how many days from Acceptance that the Buyer will apply for the loan(s) specified in Paragraph 1.D, 1.E, 1.F, 1.G, and 1.H.

NOTE: THE LOAN APPLICATIONS WILL REQUIRE EXTENSIVE PERSONAL FINANCIAL INFORMATION THAT MAY TAKE SEVERAL DAYS TO LOCATE AND ORGANIZE. A MINIMUM OF FIVE (5) WORKING SHOULD BE ENTERED.

L. Financing Contingency Terms

A contingency is a condition written into the Purchase Contract which, if neither met nor waived by the benefiting party, causes the contract to fail. Any contingencies agreed to by the Buyer and the Seller not listed on the Purchase Contract should be specified in a written addendum attached to the Purchase Contract and appropriately initialed. The more contingencies the Buyer includes in the offer and the more risky and complex those contingencies, the less attractive the offer may appear to the Seller. However, prospective Buyers need to protect the Deposit against forfeiture if they are unable to complete the purchase. For example, many Buyers need to sell their present home to have enough cash to complete the purchase, and this contingency is frequently included in the Purchase Contract. All contingencies must be removed in writing. Simply allowing the appropriate contingency period of time to elapse may not be sufficient. (See Paragraph 12)

The Purchase Contract is contingent upon the Buyer's obtaining financing as specified in Paragraph 1.D, 1.E, 1.F, 1.G, and 1.H. A financing contingency protects the Deposit in the event that the Buyer cannot obtain financing. The Buyer shall remove this contingency in accordance with Paragraph 12.A. of the Purchase Contract.

M. Appraisal Contingency

The Purchase Contract is contingent on the Property appraisal. The Property should qualify as sufficient collateral for the loans to be secured to the Property. An appraisal contingency protects the Deposit in the event that the Property appraisal does not equal the Purchase Price. Buyer shall remove this contingency in accordance with Paragraph 12.B of the Purchase Contract.

N. Loan Features

This statement is self explanatory

O. Buyer's Funds

The Buyer's funds must be delivered in a form acceptable to the Title Company. The initial deposit and the increased deposit are typically made by personal checks made payable to the Title Company. The funds required at close of escrow, including the remainder of the down payment and closing costs, should be in the form of a wire transfer or a cashier's check made payable to the Title Company.

2. Fixtures And Personal Property

A. Fixtures

A fixture is an article that was originally an item of personal (as distinguished from real) property that has subsequently been attached to the real property with the intention that it become a part of the real property. Examples of fixtures are given in this paragraph of the Purchase Contract, but a particular house may have others (e.g. swimming pool covers) that are not listed. The washer/dryer and refrigerator are not considered to be fixtures and should be specifically listed if they are to be included in the Purchase Contract. If there is doubt about whether an item is to be included in the sale, the intention of the parties with respect to the item should be set forth explicitly.

- Check if the washer/dryer and refrigerator are to be included
- Insert those items to be fixtures and fittings included in the Purchase Price.
- Insert those items that are not included as fixtures and fittings in the Purchase Price.

B. Personal Property To Be Included

Any items of personal property, if they are to be included in the purchase price, should be listed here.

- Insert those items to be personal property included in the Purchase Price.

3. Liquidated Damages

If this paragraph is not initialed by both parties, the Seller can obtain satisfaction for any material breach by the Buyer of a condition of the agreement only by a negotiated settlement or through legal action. Such legal action can be very expensive and time consuming, and there is no statutory limit on the amount of damages the Seller can collect. If, however, the parties initial the Liquidated Damages provision, they are agreeing that any breach by the Buyer will permit the Seller to retain the Deposit (up to a maximum of three percent (3%) of the Purchase Price) as the Seller's damages regardless of the amount of the Seller's actual damages and regardless of whether

Seller suffers any damages at all. This means that the Seller's damages and the Buyer's liability are limited to three percent (3%) of the Purchase Price. Should the Buyer breach the Purchase Contract, a Cancellation of Contract must be completed. If the Buyer and the Seller both sign the Cancellation of Contract, the Title Company, upon receipt of the Cancellation of Contract, will release the Buyer's deposit, with interest if applicable, as specified in the Cancellation of Contract. The Cancellation of Contract is available from FSH. Sellers and Buyers might want to consult their attorney before deciding whether or not to initial the Liquidated Damages provision, which is valid only if initialed by both parties.

There is no counterpart to Liquidated Damages in the event of the Seller's breach. If the Buyer elects to force the Seller to sell the property to the Buyer, the Buyer must file a lawsuit against the Seller for specific performance. The remedy of specific performance is not available through arbitration.

- Initial where indicated, if applicable.

4. Mediation Of Disputes

Any controversy regarding the Purchase Contract shall first be decided by mediation. Mediation is not binding. It is important to note that if either party refuses mediation, such party will forfeit the right to collect prevailing party attorney fees in the event that the controversy is resolved by legal action.

5. Arbitration Of Disputes

Any controversy regarding the Purchase Contract shall be decided by binding arbitration, unless the parties do not initial this paragraph. By initialing this paragraph, the parties agree to give up their right to a jury trial and to an appeal if they disagree with the outcome of the arbitration proceeding.

- Initial where indicated, if applicable.

6. Conditions Relating To Title

A. Title/Title Documents

The Seller is obliged to provide the Buyer with up-to-date versions of the title documents listed in this paragraph. FSH will order a Preliminary Title Report (Prelim) from the Title Company when the escrow is opened. A Prelim is generally provided within fifteen or fewer days. A Prelim is only an offer by the Title Company to sell a policy of title insurance to the Buyer; it does not constitute a warranty or guaranty of title. A sample Lease is available from FSH. Those selling condominiums must provide Buyers with copies of the Covenants, Conditions and Restrictions (CC&Rs) and the Homeowner's Association Bylaws, Rules and Regulations. The Purchase Contract is contingent upon the Buyer's approval of these documents in accordance with the provisions of paragraph 12. Since the Prelim is furnished by the Title Company and the CC&Rs and the Homeowner's Association Bylaws, Rules and Regulations are furnished by the condominium association's management company, the Seller should be given a minimum of fifteen days from Acceptance to provide these documents.

Title to the leasehold interest must be conveyed by the Seller to the Buyer free and clear of any liens and encumbrances other than those referenced in the Prelim. The Buyer may

rescind the Purchase Contract if the Buyer finds unsatisfactory any of the exceptions enumerated in the Prelim.

- Insert any other exceptions to clear title. An example is a sublease with an existing tenant, the term of which extends beyond the date of the close of escrow.

B. Transfer Of Title

This paragraph specifies how the property is to be transferred. FSH prepares the appropriate Conveyance Document.

C. Title Insurance

To demonstrate that the title conveyed is as required, a CLTA extended coverage insurance policy must be obtained. By Santa Clara County custom, Seller pays for the title insurance policy; however, this term is negotiable.

- Indicate who will pay for the Owner's Title Insurance Policy.

Lender's Title Insurance is required by the lender equal to the amount of the loan. The Buyer is responsible for the cost of a Lender's Title Insurance Policy. Stanford requires a Lender's Title Insurance policy for all Stanford loans.

D. Public Improvement Bonds And Assessments

This paragraph provides that any assessments against the property that are due before the close of escrow are to be paid by the Seller. Assessments due after the close of escrow are to be paid by the Buyer.

E. Property Taxes

Any current property taxes will be prorated by the Title Company based upon the date of the close of escrow. The Property will be reassessed after the close of escrow based on the fair market value of the full, unencumbered fee simple interest in the Property as of the purchase date. This value will be comparable to off-campus sales rather than the purchase price. The Santa Clara County Tax Assessor will send to the Buyer after the close of escrow a supplemental tax bill for any increase in the property taxes based on the reassessment for the period from the close of escrow to the end of the current tax year. In Santa Clara County the tax year is from July 1 to June 30.

7. Disclosures

A typical escrow is thirty days. After Acceptance, the Seller must provide the Buyer with the required disclosures. The Seller meets with FSH to obtain and review the Disclosures listed in this Section 7. The Seller can meet with FSH when the house is listed or after a contract has been accepted. The Buyer should give the Seller a minimum of ten days to meet with FSH and complete the Disclosures. This will allow the Buyer sufficient time to review the Disclosures and decide whether to continue or terminate this Purchase Contract. If the escrow period is more or less than thirty days, the time allowed should be adjusted accordingly.

THE BUYER SHOULD READ THIS SECTION OF THE PURCHASE CONTRACT CAREFULLY.

A. Lead-Based Paint and Lead-Based Paint Hazard Disclosure, Acknowledgment and Addendum

Sellers of residential dwellings built prior to 1978 are required to give to their agents and to the prospective Buyer, within the time specified in Paragraph 12.C., a disclosure of lead paint notice form called the Lead-Based Paint And Lead-Based Paint Hazards Disclosure and Acknowledgement and a copy of "Protect Your Family From Lead In Your Home." Sellers of units in pre-1978 multifamily structures must provide prospective buyers with any available records or reports pertaining to lead-based paint and/or lead-based paint hazards in areas used by all the residents. If there has been an evaluation or reduction of lead-based paint and/or lead-based paint hazards in the entire structure, the disclosure requirement extends to any available records or reports regarding the other dwelling units.

The Buyer has ten days to inspect the property for lead-based paint and lead-based paint hazards. This ten day inspection period can be increased, decreased or waived by written agreement between Buyer and Seller.

Every contract for the purchase and sale of real property shall contain a Lead Warning Statement and an Acknowledgment signed by the Buyer that the Buyer has:

- i. received the Lead Warning Statement and understands its contents;
- ii. received a lead hazard information pamphlet approved for Federal and State use; and
- iii. had a ten day opportunity (unless the parties mutually agreed on a different period of time) before becoming obligated to purchase the housing to conduct a risk assessment or inspection for the presence of lead-based paint hazards.

FSH will provide to the Seller one complimentary copy of the Lead-Based Paint And Lead-Based Paint Hazards Disclosure and Acknowledgment and the booklet "Protect Your Family From Lead In Your Home." Stanford requires these disclosures be provided regardless of the year the property was built.

B. Real Estate Transfer Disclosure Statement and PRDS Supplemental Seller Checklist

It is mandated by the California Civil Code that the Seller complete and provide these disclosures to the Buyer. The Real Estate Transfer Disclosure Statement (TDS) and the PRDS Supplemental Seller's Checklist disclose to the Buyer a variety of matters concerning the physical history and condition of the property. These disclosure forms are a representation of the condition of the property and the information in these disclosures may be used by the Buyer to determine on what terms to purchase the Property. FSH will provide to the Seller one complimentary copy of the TDS and a PRDS Supplemental Seller's Checklist.

C. Natural Hazard Disclosure

California Civil Code requires that the Seller and his/her agent, if any, must disclose to the Buyer, within the time specified in Paragraph 12.C., whether the Property is located within one or more of six specified natural hazard zones. The six zones are:

- 1.) A special flood hazard area as designated by the Federal Emergency Management

Agency (FEMA); 2.) An area of potential flooding after dam failure; 3.) A very high fire hazard severity zone; 4.) A wildland fire area; 5.) An earthquake fault zone; and 6.) A seismic hazard zone. FSH will provide one complimentary copy of the Natural Hazard Disclosure Statement and the names and telephone numbers of agencies that can provide the information necessary for the Seller to complete the Natural Hazard Disclosure Statement.

D. Alterations

The Seller is obligated under California law to disclose to the Buyer any additions or alterations to the Property made by the Seller (or otherwise known to the Seller) without the benefit of necessary and appropriate governmental or Stanford permits and final approvals, and any other known violations of government or Stanford regulations relating to the Property.

E. Hazardous Material/Toxic Contamination/Environmental Hazards

This paragraph is self explanatory.

F. Mold/Allergens

This paragraph is self explanatory.

G. Soils And Terrain Stability, Suitability

This paragraph is self explanatory.

H. Water Systems

This paragraph is self explanatory.

I. Property Lines and Boundaries

This paragraph is self explanatory.

J. Megan's Law (Sex Offender Database)

This paragraph is self explanatory.

K. Impacted Public Schools

This paragraph is self explanatory.

L. Noise

This paragraph is self explanatory.

M. Neighborhood Conditions

This paragraph is self explanatory.

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. The Buyer may receive one or two supplemental tax bills, depending on when the purchase transaction closes. If the Property is reassessed and supplemental property taxes are due, the supplemental taxes will not be paid by an impound account. An impound account is an account set up by a first lender (not through

Stanford) in which an amount is deposited each month for payment of property taxes and insurance. The borrower chooses to pay this amount each month in addition to the monthly mortgage payment and it may be referred to as an escrow payment. The holder of the funds is responsible for paying the property taxes and insurance. It is, however, the Buyer's sole responsibility to pay the supplemental property taxes directly to the Santa Clara County Tax Collector.

O. Property Disclosures

When applicable to the Property, the Seller shall provide to the Buyer, within the time specified in Paragraph 12.C. the following Disclosures:

i. Disclosure Statement Regarding County Geologic Hazard Zones

Some residential properties on campus may be located within the County's Geologic Hazard Zones ("GHZ"). If construction is planned for the Property, it is important to be aware of whether the Property lies within a GHZ. This disclosure provides instructions to the Buyer and Seller for viewing the County GHZs. FSH will provide to the Seller one complimentary copy of the Disclosure Statement Regarding County Geologic Hazard Zones.

ii. Environmental disclosure report (limited to filed governmental reports)

This report is included in the report ordered from the outside agency that provides the natural hazard zones report on the Property.

iii. Natural Hazards report (including any Mello-Roos and 1915 Special Assessment information)

This report is the same as the Natural Hazard Disclosure.

iv. Smoke Detector Compliance

California law requires that an operable smoke detector be installed in every dwelling unit intended for human occupancy in the manner and type specified by the State Fire Marshall. Local ordinances and building codes may add additional requirements. The Seller should contact the Santa Clara County Building Department for the code requirements. The Seller is required to certify in writing that the property is in compliance with California State Law. Escrow cannot be closed until smoke detectors have been properly installed. FSH will provide to the Seller one complimentary copy of the Smoke Detector Compliance.

v. Water Heater Compliance

California law requires that all water heaters be braced, anchored, or strapped to resist falling or horizontal displacement due to earthquake motion. Additionally, it requires that the Seller of any real property containing a water heater to certify, in writing, that the Seller is in compliance with California State Law. The minimum standard for such bracing is set forth in the California Plumbing Code. A diagram discussing these requirements can be found in the Homeowner's Guide to Earthquake Safety. FSH will provide to the Seller one complimentary copy of the Water Heater Compliance.

vi. Carbon Monoxide Detector Notice

California law requires that all existing single-family dwellings and other types of dwelling units intended for human occupancy have carbon monoxide detectors installed. Failure to do so can result in a fine, other damages, and attorney and court costs. The seller should install carbon monoxide detectors as required by building standards and manufacturers instructions. FSH will provide to the Seller one complimentary copy of the Carbon Monoxide Detector Notice.

vii. Residential Environmental Hazards: A Guide for Homeowners, Homebuyers, Landlords and Tenants

Sellers of residential dwellings built prior to 1960 are required to give the Buyer a complete environmental hazards disclosure report and a copy of Residential Environmental Hazards: A Guide for Homeowners, Homebuyers, Landlords and Tenants. Stanford requires this disclosure on all transactions regardless of the year the residential dwelling was built. FSH will provide to the Seller one complimentary copy of the Residential Environmental Hazards: A Guide for Homeowners, Homebuyers, Landlords and Tenants.

viii. The Homeowner's Guide to Earthquake Safety, including the completed Residential Earthquake Hazards Report (Questionnaire)

Sellers of residential dwellings built prior to 1960 are required to provide the Buyer with a copy of the Homeowner's Guide to Earthquake Safety. Stanford requires this disclosure on all transactions regardless of the year the residential dwelling was built. The Seller must also complete the Residential Earthquake Hazards Report (Questionnaire). FSH will provide to the Seller one complimentary copy of The Homeowner's Guide to Earthquake Safety, including the Residential Earthquake Hazards Report (Questionnaire).

NOTE: THE RESIDENTIAL ENVIRONMENTAL HAZARDS: A GUIDE FOR HOMEOWNERS, HOMEBUYERS, LANDLORDS AND TENANTS, THE HOMEOWNER'S GUIDE TO EARTHQUAKE SAFETY, AND PROTECT YOUR FAMILY FROM LEAD IN YOUR HOME IS ONE BOOKLET.

ix. Santa Clara County Right To Farm Ordinance (an agricultural disclosure)

The seller is required by the County of Santa Clara to disclose to the buyer that the County recognizes and supports the right to farm and permits agricultural operations. FSH will provide to the Seller one complimentary copy of the Santa Clara County Right to Farm Ordinance (an agricultural disclosure).

x. Stanford University Residential Property Disclosure

The University requires that all Buyers of residential dwellings on the Stanford University campus be provided the University's disclosure regarding residential property located on the campus. FSH will provide to the Seller one complimentary copy of the Stanford University Residential Property Disclosure.

xi. Notice Regarding Property Tax Assessments for Standard On-Campus Residential Leaseholds

The University requires that all Buyers of residential dwellings on the Stanford University campus be provided a current fee simple appraisal. The appraisal is intended to provide buyers with an estimate of the potential assessed value of the property so that buyers have a better understanding of their likely property tax obligation. FSH will provide to the Seller the list of appraisers from which to choose. FSH will order the appraisal and provide one fee simple appraisal report to the Seller.

xii. New Housing

The University requires that all buyers of residential dwellings on the Stanford University campus be provided the University's disclosure regarding the new housing to be developed adjacent to the residential subdivisions. FSH will provide to the Seller one complimentary copy of the New Housing disclosure.

xiii. Campus Drive Realignment

The University requires that all buyers of residential dwellings on the Stanford University campus be provided information regarding the proposed changes to Campus Drive. FSH will provide to the Seller one complimentary copy of the Campus Drive Realignment disclosure.

xiv. Condominium/PUD (Common Interest Subdivision) and the PRDS Request for Homeowner Association (HOA) Documents

The California Civil Code requires that the Seller of a condominium provide specific information to the Buyer related to the homeowners' association, as well as the unit being transferred. This information must be obtained from the appropriate condominium homeowner's association representative. FSH will provide to the Seller one complimentary copy of the PRDS Request for Homeowner Association (HOA) Documents and the contact information for the homeowner association representative.

xv. Peter Coutts Hill Groundwater

This disclosure provides information relating to the groundwater drilling by Hewlett-Packard regarding groundwater investigation and remediation. FSH will provide to the Seller one complimentary copy of the Peter Coutts Hill Groundwater disclosure.

xvi. Pearce Mitchell House's Owners' Association University Related Agreement

This agreement explains the terms of the agreement between the Pearce Mitchell House's Owners' Association and Stanford regarding asbestos related claims. FSH will provide to the Seller one complimentary copy of the Pearce Mitchell Houses' Owners' Association University Related Agreement.

xvii. Seller Financing Disclosure Statement

The Seller may agree to extend a loan to the Buyer in financing a portion of the Purchase Price. The Seller may be willing to offer more attractive loan terms

than are generally available in the commercial loan market (e.g., zero points, no prepayment penalty, lower interest rates, and shorter terms). Terms and conditions of any such loan are as negotiated between the parties. Upon request, the Title Company will provide pre-printed promissory notes and deeds of trust to document such loans. FSH will provide to the Seller one complimentary copy of the Seller Financing Disclosure Statement.

xviii. Tax Status Reports

Special tax withholding provisions may be applicable. Buyer and Seller must agree to execute any instrument, affidavit, statement, or instruction reasonably necessary as a declaration of Federal and California tax status. The Title Company will make available a "FIRPTA" form.

Fully executed copies of all of the applicable disclosures stated in the Purchase Contract will be required by FSH before the transaction can close.

- List all of the disclosures that the Buyer has received, read and signed prior to Buyers' offer to purchase.

8. Insurance Contingency

In addition to standard property insurance, earthquake insurance and liability insurance are required by Stanford as a condition of making any loan to the Buyer or as a condition of the Conveyance Document.

9. Condition Of Property

A. Inspection Contingency

The Purchase Contract is contingent upon the Buyer's approval of the physical condition of the Property within an agreed upon time. The Buyer has the option of conducting the inspection him/herself or obtaining the services of an expert. The Buyer has the right in his/her sole discretion, on the basis of his/her own inspection or a professional structural report, to cancel the Purchase Contract, without penalty. A structural inspection report can generally be obtained within fifteen (15) to twenty (20) working days. Stanford strongly recommends that the Buyer engage the services of a professional inspector.

B. Buyer's Indemnification

The Buyer is financially responsible for the cost of any inspections performed by the Buyer or any professional hired by the Buyer. Further, the Buyer is responsible for any physical damage that results from the inspections. Stanford recommends that the Buyer be present when the professional inspection is performed.

10. Structural Pest Control Certification

Prior to the close of escrow, the Property must be free of infestation by wood destroying pests or organisms. Therefore, a written report, prepared by a licensed Structural Pest Control Operator, that sets forth the presence of any such pests or organisms and states any corrective measures must be made. All garages and/or carports whether attached or detached, decks, balconies, and any other attached or detached structures must be inspected. This includes the Pearce Mitchell and Peter Coutts condominium developments. The report will identify both Section I and Section

II items. Section I items indicate evidence of active infestation, infection or conditions that have resulted in or from infestation or infection. Section II report items are conditions deemed likely to lead to infestation or infection but where no visible evidence of such has been found.

If any Section I corrective work is identified in the report, it must be completed. If the corrective work will not be completed by the close of escrow, one and one-half times the amount of the approved estimate will be held in escrow. If the funds held in the escrow account are insufficient to cover the cost of the Section I work, the Seller must pay the Structural Pest Control Operator the amount of any shortfall (unless the Property is sold "As-Is"). Evidence of such completion is given by a "Standard Notice of Work Completed and Not Completed" or a clearance "Certification" provided by a licensed Structural Pest Control Operator. The operator who does the work can be the same or different from the one who did the original report. However, operators may be reluctant to do work identified by another company, and may charge a higher fee to do so.

Generally, the Seller pays the cost of the inspection and of having the corrective work done. However, if a house is sold in an "As-Is" condition, which includes Section I work, the Buyer will be required to pay for the cost of any Section I repairs. If the corrective work will not be completed by the close of escrow, one and one-half times the amount of the approved estimate will be held in escrow from the Buyer. If Seller places a maximum dollar limit on the amount of corrective work for which he/she will pay, the Buyer will be required to pay any shortfall or the Buyer can elect not to proceed with the purchase.

- A. Providing the Structural Pest Control Report and who pays for the Structural Pest Control Report
 - Insert the number of days, expressed numerically, after Acceptance within which a written report by a licensed structural pest control operator will be provided.
 - Indicate whether the Buyer or the Seller will provide the written report.
 - Indicate whether the Buyer or the Seller will bear the expense of obtaining the written report. Typically it is the responsibility of the Seller to provide and pay for the report. In most cases, a report can be ordered and prepared within seven to ten working days. Most lenders, including Stanford, consider a report current if the date of the report is within four months of the close of escrow date.
 - List other buildings, if any, to be included in the inspection. All attached and detached buildings on the property, as well as detached garages and/or carports, and decks/balconies must be included in the report.
 - If the Buyer has received a current Report, check that it is so.
- B. The Seller is to pay the cost of the Section I work recommended by the structural pest control inspector, unless the Property is to be sold in an "As-Is" condition, including Section I work. Refer to Paragraph 11.
- C. The Seller is responsible for the cost of an additional report and additional work, if any, if the property is inaccessible because Seller's personal property is obstructing access. Seller must make the property available for further inspection and provide a supplemental report prior to the close of escrow.

- D. If inspection of any other inaccessible area is recommended in the report, the Buyer shall have the right to such additional inspections.
 - Insert the number of days, expressed numerically, that the Buyer has to request an inspection of the inaccessible area. This should happen within three to five days of receipt of the report.
- E. If fumigation is required, this paragraph explains the Seller's responsibilities and the Buyer's rights regarding damage or repairs due to the fumigation process.

11. Seller's Repair/Maintenance Obligations

- A. Seller Warranty If the Buyer chooses to initial A, the Seller warrants the condition of the Property. The Seller must perform repairs in the manner specified prior to the close of escrow.
- B. "As-Is" Condition

If the Buyer chooses B, the property will be accepted "As-Is". This means that the Seller has no obligation to make any repairs, including Section I work identified by the report prepared by a licensed Structural Pest Control Operator, to the Property prior to the close of escrow. If, during the inspection period, the Buyer learns information regarding the condition of the Property that is unacceptable to the Buyer, the Buyer can choose either to terminate the Purchase Contract or request that the Seller agree to amend the Purchase Contract. If the Seller refuses to amend the Purchase Contract, the Buyer can choose either to terminate the Purchase Contract or to close the escrow without the repairs having been made. The Buyer's lender may require a Pest Control Certification as a condition of making the loan.

- Choose either A or B by initialing where indicated. Do not initial both sections. Choose only one.
 - If B is selected, indicate any exception to the "As-Is" condition by placing a checkmark or x on the line.
 - Paragraph 10 refers to the Structural Pest Control Certification. Check here if the Buyer accepts the Property in an "As-Is" condition except for Section I repairs. Check Other if other exceptions are to be included in the offer.
 - List any other exceptions to the "As-Is" condition.
- C. This paragraph is self explanatory.
 - D. This paragraph is self explanatory.

12. Contingency Removal

The Buyer must notify the Seller in writing when a contingency has been satisfied. This notification must occur within the time specified in the Purchase Contract for the particular contingency. If the Buyer does not timely notify the Seller, the Seller may have the right to terminate the Purchase Contract. The Seller and the Buyer can mutually agree, in writing, to an extension of time for the satisfaction of a particular contingency.

For example, if the Buyer does not receive loan approval from a lender within the specified time period, he/she must notify the Seller that the contingency cannot be met. The Purchase Contract is thereby terminated unless, by mutual agreement, the Buyer and the Seller agree to extend the

time for meeting the loan approval contingency. This agreement to extend must be memorialized in writing, dated, signed by both the Buyer and the Seller, and attached to all copies (including Stanford's) of the Purchase Contract. Contingency removal forms are available from FSH.

A. Financing Contingency

- Insert the number of days, expressed numerically, from Acceptance within which the Buyer must satisfy the Financing Contingency set forth in paragraph 1.J.

B. Appraisal Contingency

- Insert the number of days, expressed numerically, from Acceptance within which the Buyer must satisfy the Appraisal Contingency set forth in paragraph 1.K.

C. Title Documents, Disclosures, Insurance, Condition of Property, and other contingencies.

- Insert the number of days, expressed numerically, from Acceptance within which the Seller must provide to the Buyer those items listed in paragraph 12.D.

D. Contingency Removal

- Insert the number of days, expressed numerically, from Acceptance within which the Buyer will remove all contingencies. Make sure there is enough time for inspections, loan approval, the appraisal, the Seller to provide required documents and for the Buyers review and approval of the documents, including any negotiation for additional repairs or corrections. For example, if you have a 15-day financing contingency, you must have at least 15 days to remove the contingency. If you have a 30-day escrow period, your contingency period cannot exceed 30 days. Typically, a Buyer and Seller need to execute all required documents 7 days prior to the close of escrow date, so if the escrow period is 30 days, the contingency period should not be more than 23 days.

E. If the Buyer requests that repairs or corrections be made by the Seller not otherwise required by the Purchase Contract, the Buyer must make the request in writing prior to the contingency removal date for Condition of Property. The Seller must be given time to respond.

- Insert the number of days, expressed numerically, within which the Seller must respond, in writing, to the Buyers written request.

If the Seller does not agree or does not respond to the Buyers written request within the time period specified, the buyer has a specified time period to either cancel the Purchase Contract or remove the Condition of Property contingency.

- Insert the number of days, expressed numerically, within which the Buyer can either cancel the Purchase Contract or remove the Condition of Property contingency.

13. Legal Nature Of Agreement

A. Entire Agreement

The Purchase Contract and all Counter Offers, Addenda and any other contract documents constitute the entire agreement. No changes can be made unless they are in writing, executed by both the Buyer and Seller.

B. Time

Any violation of a time deadline in the Purchase Contract can be deemed a material breach of the Purchase Contract, giving rise to a claim for damages by the other party. It is recommended the parties adhere scrupulously to the precise time deadlines in the offer and acceptance period to avoid confusion in multiple offer situations.

C. Legal Action

If either party sues the other in connection with the Purchase Contract, the losing party must pay the attorney's fees and costs of the prevailing party. Frequently, attorney's fees exceed the amount of the Deposit.

D. Representations

The Seller represents that the Seller has no notice of any violations of governmental or Stanford regulations relating to the Property.

E. Eligibility

If the Buyer's eligible appointment has not yet been approved by the President, the Purchase Contract must be made subject to such approval (paragraph 21.A.). If the Buyer is not eligible by the scheduled date for the close of escrow, the sale cannot proceed. The parties can mutually agree to extend the Purchase Contract. If both parties do not so agree, the Purchase Contract fails. If approval of the Buyer's eligibility is an explicit condition of the Purchase Contract, the Deposit will be returned to the Buyer by the Title Company. If approval of the Buyer's eligibility is not an explicit condition of the Purchase Contract, the Seller has the right to retain the Buyer's Deposit (subject to the liquidated damages limit).

F. Binding Agreement

If the Seller dies during the escrow, his/her successors in interest are obliged to complete the transaction. The Buyer may not assign to another person his/her right to purchase the Property pursuant to the Purchase Contract without the Seller's consent, and such person must be an Eligible Person. If the Buyer dies during the escrow, the Purchase Contract terminates.

G. No Representations

Stanford provides neither legal nor tax advice to the Buyer or the Seller. Such advice must be obtained from a private advisor.

- Buyer and Seller must initial this paragraph 13.G as acknowledgment of this statement.

H. Governing Law

The Entire Agreement shall be governed by the laws of the State of California and be used to interpret the terms of the Purchase Contract and will govern in the event of a dispute or disagreement. Any judicial or arbitration proceedings shall occur in the County of Santa Clara.

I. Delivery

Title to the property is delivered to the Buyer at the close of escrow. The real property interest conveyed is a leasehold rather than a fee simple. This means, among other things, that Stanford owns the land and that the Buyer's interest is subject to the terms of the Lease.

14. DEFAULTS AND REMEDIES

A. Buyer's Default

If the Buyer defaults on the terms of the Purchase Contract and the escrow does not close on time, the Seller may be entitled to damages. Paragraph 3, if initialed by both the Buyer and Seller, limits the amount of the damages. If Paragraph 3 is not initialed by both the Buyer and Seller, the Seller may be entitled to additional damages.

B. Seller's Default

If the Seller defaults on the terms of the Purchase Contract and the escrow does not close on time, the Buyer may be entitled to damages.

C. Other Non-Performance

If either the Buyer or Seller fails to perform, the defaulting party may be liable for damages.

15. Definitions

These are the definitions of key terms referred to throughout the Purchase Contract.

16. Home Protection Plan

Home Protection Plans are available through the Title Company. These plans usually provide a basic level of coverage. Plans with more extensive coverage are available at an increased cost.

- Indicate if the Buyer or the Seller has ordered a Home Protection Plan.
- Insert the maximum cost of the Home Protection Plan expressed numerically.
- Indicate whether the Buyer or the Seller will pay for the Home Protection Plan, or if the cost will be prorated equally between the Buyer and the Seller.

17. Equal Housing Opportunity

The Seller may not violate governmental anti-discrimination laws in selling the Property.

18. Close of Escrow Conditions And Instructions

A. Transfer of title/recording date

The parties are advised to take into account the time it will take to meet all contingencies, including the financing contingency.

Note: A typical escrow period is 30 days. Loan approval takes 15 days from the time of submittal of the complete loan application.

Any changes to the recording date must be agreed upon, in writing, by the Buyer and the Seller and provided to FSH. Note: The Title Company will require the signature of all

persons comprising Seller (i.e. the Eligible Person and the spouse or domestic partner) to sign documents one week prior to the close of escrow.

- Insert the anticipated date of recordation.

B. Possession

Possession of the property is typically delivered at noon on the date the documents are recorded at the Santa Clara County Recorder's Office, also known as the "close of escrow" (recordation). Ownership changes at the time of recordation, which usually occurs no earlier than three working days after the day on which the documents are signed at the Title Company. Alternative arrangements for possession are made in situations when the Seller desires to remain in the house after recordation, in which case the Seller will lease back the property from the Buyer, or when the Buyer has reason to take possession prior to close of escrow, in which case the Buyer will lease the property from the Seller. The Buyer and the Seller negotiate the amount of rent and other lease terms, and any such lease should be in writing. A situation in which the Buyer might desire to lease prior to recordation is when the Buyer is moving from another part of the country and does not want to make temporary housing arrangements that would result in two moves. Such an arrangement would become necessary when the close of escrow is postponed by financing delays or by delays in the confirmation of the Eligible Person's appointment by the President.

Certain risks are attendant to leases between the Buyer and the Seller. If, for example, the Buyer leases the property from the Seller before the close of escrow and discovers problems with the property either previously unknown to the Buyer or undisclosed by the Seller, the Buyer may become unhappy with the terms of the Purchase Contract. As another example, if the Seller leases back the property from the Buyer after the close of escrow, the Buyer may later complain that the condition of the property upon termination of the lease has deteriorated since the close of escrow, leading to a possible dispute. To avoid these risks, Stanford encourages the parties to seek legal advice in the drafting of a lease between them.

It is important for the Seller to retain his/her homeowners' insurance until recordation. The Buyer must purchase a policy of homeowners' insurance, consonant with the requirements of the Lease, to become effective upon the close of escrow. Lenders, including Stanford, require that a copy of the Buyer's certificate of insurance be submitted to escrow.

Forms for such temporary arrangements are available from FSH and should be attached to the Purchase Contract as an Addendum.

- Indicate when possession of the property will be delivered to the Buyer:

At noon on the date of recording; or not later than, indicate the number of days expressed numerically; or the actual date.

C. Funds placed in the Escrow Account

Funds placed in the Escrow Account will not be released without the written consent of the parties.

19. Prorations

These items are typically prorated by the Title Company as of the date of recordation.

- A. Property Taxes, Homeowner's Association Dues, Ground Rent and any other fees
 - Indicate any other prorations.
 - Indicate if the prorations are to be prorated from the date of recording; or from an actual date.
- B. Escrow Fee

The Title Company can provide an estimate of the escrow fee. Typically, in Santa Clara County, the Seller pays for the escrow fee.

- Indicate if the escrow fees are to be paid by the Buyer; or the Seller; or prorated equally between the Buyer and the Seller.
 - C. Transfer Taxes
- The Seller typically pays the costs of the Santa Clara County Transfer taxes, but this can be negotiated between the Buyer and the Seller.
- Indicate if the transfer tax is to be paid by the Buyer; or the Seller; or prorated equally between the Buyer and the Seller.
 - D. Buyer's Lender's Costs and Charges

The Buyer pays for all costs and charges associated with any loan(s) obtained by the Buyer. These costs could include, but are not limited to, title/escrow fees, appraisals, credit reports, and other processing fees required by a lender.

20. Additional Contract Documents

Any forms indicated become a part of the Purchase Contract. These forms are available at FSH.

- Check any that apply.

21. Other Terms and Conditions

- Check any that apply.

A. Eligibility

Approval of the Buyers eligibility is always a prerequisite to closing escrow. Refer to the Housing Programs Eligibility Criteria available on the FSH website at <http://fsh.stanford.edu>.

B. Subject to the sale of Buyer's residence

If equity from a present home is required to make the down payment on the Property, the Buyer should make the agreement contingent upon the sale of the present home. If this contingency is checked, and the Buyer has not sold his/her home by the specified date, the Purchase Contract is terminated and the Deposit returned. However, the parties may agree to extend the date or the Buyer may elect to waive the contingency.

C. Two Homes

The Buyer may not purchase a home on campus if he/she already owns another home on campus unless the Buyer has executed a "Two Homes" letter prepared by FSH.

D. Other

List other conditions, if any. An example would be the approval of the house by a spouse, domestic partner or parent who has not yet had the opportunity to see it. Another example could be an agreement to pay specific fees to a third party.

22. Offer

The Purchase Contract must be signed and dated by the Buyer. Only the Eligible Person may hold title to the leasehold interest, not his/her spouse or domestic partner, unless such spouse or domestic partner is also an Eligible Person. The Buyer should consider consulting with an attorney regarding ways to provide legal protection for the beneficial interest in the leasehold property of the spouse or domestic partner of the Eligible Person.

- Insert the date the offer is being made by the Eligible Person
- Insert the Eligible Person's name by printing
- Insert the Eligible Person's signature
- Insert the date the offer is being made by an additional Buyer
- Insert the additional Buyer's name by printing
- Insert the additional Buyer's signature
- Insert the current address of the Buyer(s).
- Insert the Buyer(s) telephone numbers, FAX number (if applicable), and the E-mail address(es)

It is important to complete this entire section. A copy of the Purchase Contract goes to the Title Company after acceptance and the Escrow Officer needs contact information.

23. Expiration

The Buyer typically gives the Seller forty-eight (48) hours to respond to an offer. A shorter period of time may put too much pressure on the Seller. A longer period gives the Seller the opportunity to entertain and negotiate other offers. The Seller may indicate to all prospective Buyers the date on which the offers must be submitted and the date on which the offer will be accepted. If the Seller does not respond to the Buyer within the time specified, the offer lapses and the Buyer's Deposit will be returned. Parties often use overnight mail or email to expedite communications. Offer and Acceptance may be made electronically.

- Indicate to whom the offer should be delivered
- Indicate the time and date within which the offer shall be deemed revoked.

24. Counter Offer

The Seller may respond to the Purchase Contract with a Counter Offer. The parties may continue to trade written Counter Offers until final agreement has been reached on all terms and conditions. It is recommended that one party not make any change on the other party's Purchase Contract or Counter Offer, but rather that he/she submit another Counter Offer with the change.

Contract formation does not occur until both parties have executed the final Counter Offer. Counter Offer forms are available from FSH.

- Seller must insert initials if a Counter Offer is to be made.

25. Acceptance

The Seller is both the Eligible Person and his/her spouse or domestic partner. Even if the spouse or domestic partner does not hold title to the leasehold interest, he/she may have an equitable interest in the property and is therefore required to consent to the Purchase Contract. If the Eligible Person has been divorced, Stanford must have legal proof that all interest in the Property belongs to the Eligible Person. If the non-eligible spouse still holds an interest in the Property, the Purchase Contract must be signed by both husband and wife.

- Insert the date the offer is being accepted by the Seller
- Insert the Seller's name by printing
- Insert the Seller's signature
- Insert the date the offer is being accepted by an additional Seller
- Insert the additional Seller's name by printing
- Insert the additional Seller's signature
- Insert the current address of the Seller(s).
- Insert the Seller(s) telephone numbers, FAX number (if applicable), and the E-mail address(es)

It is important to complete this entire section. A copy of the Purchase Contract goes to the Title Company after acceptance and the Escrow Officer needs contact information.

NOTE: IT IS ADVISED THAT THE PARTIES DELIVER A COPY OF THE PURCHASE CONTRACT TO FSH AS SOON AS POSSIBLE FOLLOWING CONTRACT FORMATION. THE OFFER AND ACCEPTANCE MAY BE MADE ELECTRONICALLY. PLEASE BE SURE THAT ALL SPACES ARE FILLED IN. ENSURE THE COPY HAS BEEN PHYSICALLY RECEIVED BY A STAFF PERSON AT FSH (NOT JUST DROPPED OFF) OR DELIVER THE PURCHASE CONTRACT BY EMAIL TO FSHDOCUMENTS@STANFORD.EDU.