CITY OF MENLO PARK

STAFF REPORT

City Council
Meeting Date: **3/23/2026**
Staff Report Number: **26-044-CC**

Consent Calendar: **Consider and adopt a resolution to authorize the city manager to execute all documents necessary to complete the acquisition of 975 Florence Ln., Unit 8, Menlo Park, CA 94025 and approve the appropriation of below market rate housing funds not to exceed $408,949 to purchase and retain the property in the below market rate housing program**

Recommendation

Staff recommends the City Council:

1. Approve the resolution (Attachment A) authorizing the city manager to execute a Residential Purchase Agreement and Addendum thereto with Florence Lane Ventures LLC for acquisition of 975 Florence Ln., Unit 8, Menlo Park, CA 94025 (Attachments B and C) and authorize the city manager and city attorney to make modifications to the professional services agreement (PSA) to conclude negotiations and finalize the sale of the residential unit.
2. Approve the appropriation of below market rate (BMR) housing funds not to exceed $408,949 to purchase and retain 975 Florence Ln., Unit 8, a condominium unit, and thereafter sell the unit to an income-qualifying household.

Policy Issues

In order to preserve the property as a deed-restricted ownership, affordable housing unit, staff recommends the City purchase the property located at 975 Florence Ln., Unit 8. The BMR program was created to facilitate affordable housing opportunities for extremely low, very low and moderate-income households. BMR ownership units are especially important since they provide a long-term housing solution in a safe and affordable unit, and the opportunity to build equity and stability in the community.

Background

On July 16, 2019, the City Council approved a project at 975 Florence Ln. to develop eight condominium units with the requirement that one unit be set aside as a BMR unit. The BMR unit is a one bedroom, one bathroom unit designated for a moderate-income household. The BMR agreement was executed Nov. 25, 2019, designating Unit 8 as the BMR unit. The property owner acknowledged the sales price of $408,949 for the BMR unit established by the City in a letter dated Oct. 24, 2022. City staff certified Unit 8 as meeting the provisions of the BMR agreement and Guidelines in a letter to the owner dated Feb. 17, 2022.

Per the City's BMR Guidelines, a qualified buyer must be identified within six months from the date of the certifying letter (Aug. 17, 2022). A qualified buyer was identified no later than June 28, 2023. Before initiating the sales process, the city attorney's office sent a letter to the owner outlining the BMR sales process and timeline. Shortly after, HouseKeys, Inc., the City's BMR administrator at the time, began marketing the unit. In July 2023, a purchase agreement was extended to the buyer. A revised purchase agreement was circulated by the property owner on Aug. 16, 2023, and signed by the buyer Aug. 23, 2023.

On Aug. 31, 2023, the owner signed the purchase agreement but with two additional amendments. The first amendment increased the deposit amount and the other amendment was to require that the loan close by Sept. 18, 2023, negating the previously agreed upon Oct. 18, 2023, deadline. The buyer agreed to the first amendment, however meeting the Sept. 18, 2023, deadline was problematic. Typically, it takes about four weeks to close a loan and to close a loan in less than three weeks is challenging. On Sept. 7, 2023, because of the uncertainties of the closing date, the owner terminated negotiations and demanded that the City purchase the BMR unit, as outlined in the BMR agreement.

The City Council met in closed session Sept. 12, 2023, to discuss the potential purchase of the unit. The City Council approved the purchase of the unit at the Oct. 10, 2023, City Council Meeting. The city manager thereafter sent a written Residential Purchase Agreement and Escrow Instructions to the property owner and the property owner refused to sign the agreement. The City filed a civil lawsuit against the property owner. Trial was held in December 2025, and the Court issued a tentative decision in favor of the City compelling sale of the BMR unit to the City on the terms and conditions previously approved by the City Council on Oct. 10, 2023. Final judgment in favor of the City is anticipated to be issued by the end of March 2026.

Analysis

To ensure the Property remained deed restricted as affordable, the City offered in October 2023 to purchase the property for the established sales price of $408,949. Following the property seller's breach of the BMR Agreement and subsequent litigation, the property owner has been ordered to sell the BMR unit to the City on the terms and conditions previously approved by the City Council. The BMR housing fund would be used to purchase the unit. Upon sale of the BMR unit to an eligible buyer, the BMR housing fund would be reimbursed. The Residential Purchase Agreement and Escrow Instructions and the Addendum (Attachments B and C) before the City Council reflects the City's purchase offer and is based on the form of purchase agreement approved in connection with the Project by the California Department of Real Estate. Staff recommends the City Council authorize the city manager to execute the Residential Purchase Agreement and Escrow Instructions, the Addendum and related transactional documents, and authorize the city manager and city attorney, to the extent necessary, to modify the Residential Purchase Agreement and Escrow Instructions and the Addendum in order to conclude negotiations with the property owner and cause the conveyance of the Property from the owner to the City to occur.

Impact on City Resources

Funds to purchase the BMR unit for $408,949 would come from the BMR Housing Fund. The City will recoup these funds in the future as it will sell the unit to a qualified BMR household minus any closing and transactional costs of the sale. Those costs will be paid from the BMR Housing Fund.

Environmental Review

This action is not a project within the meaning of the California Environmental Quality Act (CEQA) Guidelines §§ 15378 and 15061(b)(3) as it will not result in any direct or indirect physical change in the environment.

Public Notice

Public notification was achieved by posting the agenda, with the agenda items being listed, at least 72 hours prior to the meeting.

Attachments

A. Resolution
B. Residential Purchase Agreement and Escrow Instructions
C. Addendum to Residential Purchase Agreement and Escrow Instructions

Report prepared by:
Tim Wong, Housing Manager

Report reviewed by:
Nira Doherty, City Attorney
Deanna Chow, Community Development Director

RESOLUTION NO. XXXX

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK AUTHORIZING THE CITY MANAGER TO ACCEPT THE GRANT DEED FOR 975 FLORENCE LN., UNIT 8, EXECUTE ALL DOCUMENTS NECESSARY TO COMPLETE THE PURCHASE AND APPROVE THE APPROPRIATION OF UP TO $408,949 FROM THE BELOW MARKET RATE (BMR) HOUSING FUND TO PURCHASE AND RETAIN THE PROPERTY IN THE BMR HOUSING PROGRAM

WHEREAS, July 16, 2019, the City Council approved a project at 975 Florence Lane to develop eight condominium units with the requirement that one unit be set aside as a BMR unit; and

WHEREAS, Nov. 25, 2019, the BMR Agreement was executed, designating Unit 8 as the BMR unit; and

WHEREAS, the property owner acknowledged the sales price of $408,949 for the BMR unit established by the City in a letter dated Oct. 24, 2022, and

WHEREAS, the property owner terminated negotiations with the qualified buyer; and

WHEREAS, the City Council previously approved the purchase of the unit at its Oct. 10, 2023 meeting, but the owner refused to sign the Purchase and Sale Agreement; and

WHEREAS, the City of Menlo Park filed a civil lawsuit against the property owner and a San Mateo County Court issued a tentative decision in favor of the City compelling sale of the BMR Unit to the City on terms and conditions previously approved by the City Council Oct. 10, 2023; and

WHEREAS, March 24, 2026 the City Council for the City of Menlo Park allocates BMR housing funds not to exceed $408,949 to purchase and retain in the City's affordable housing inventory 975 Florence Ln., Unit 8 [APN 118-090-080] (hereinafter the "Property);

WHEREAS, the need to facilitate affordable homeownership opportunities for low and moderate-income households remains a policy and priority in Menlo Park; and

WHEREAS, the BMR Program Guidelines allows the City of Menlo Park to purchase and preserve real estate property as an eligible use of the BMR Housing Fund; and

WHEREAS, the City of Menlo Park affirms the City's commitment to providing affordable homeownership units to lower income households;

WHEREAS, in order to ensure the Property remains within the City's BMR unit inventory, the City wishes to acquire the Property from Owner and subsequently sell the unit to a qualified buyer.

NOW, THEREFORE, BE IT RESOLVED, by the Menlo Park City Council that the city manager is authorized to (a) execute all documents necessary to complete the purchase of 975 Florence Ln., Unit 8, including but not limited to a real estate purchase contract, escrow instructions and closing documents; and (b) approve the appropriation of below market rate (BMR) housing funds not to exceed $408,949 to purchase and retain 975 Florence Ln., Unit 8, a condominium unit, and thereafter sell the unit to an income-qualifying household in accordance with Menlo Park Municipal Code Ch. 16.96 and the City's BMR Program Guidelines, and

I, Judi A. Herren, City Clerk of Menlo Park, do hereby certify that the above and foregoing City Council Resolution was duly and regularly passed and adopted at a meeting by said City Council on the twenty-fourth day of March, 2026, by the following votes:

AYES

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of said City on this __ day of March, 2026.

____
Judi A. Herren, City Clerk

RESIDENTIAL PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS

(Condominium Project)

FLORENCE LANE

NOTICE OF ARBITRATION AND JUDICIAL REFERENCE: THIS CONTRACT CONTAINS A BINDING ARBITRATION PROVISION AND JUDICIAL REFERENCE REQUIREMENTS. YOU MUST READ THE ARBITRATION AND JUDICIAL REFERENCE PROVISIONS CAREFULLY AND SHOULD CONSULT WITH LEGAL COUNSEL IF YOU HAVE ANY QUESTIONS.

Initials:

Buyer _____ Seller _____

RESIDENTIAL PURCHASE AGREEMENT
AND ESCROW INSTRUCTIONS

FLORENCE LANE

This Purchase Agreement and Escrow Instructions (the "Agreement") is entered into on the ____ day of ____________________, 2026, by and between the following parties and with regard to the Property herein described, which Property is part of a condominium Common Interest Development, at times referred to herein as the "Project."

1. Parties; Property Description:

Buyer(s):	City of Menlo Park
Buyer(s) Address:	701 Laurel Street Menlo Park, CA 94025
Buyer(s) Tel. No(s):	(650) 330-6600
Seller:	Florence Lane Ventures, LLC, a California limited liability company
Seller(s) Address:	152 Nevada Street Redwood City, CA 94062-2134
Seller(s) Tel. No(s):	(650) 533-5800

Seller shall sell to Buyer and Buyer shall buy from Seller the following property (the "Property") with a street address of 975 Florence Lane, Menlo Park, CA, the legal description of which is the following: A condominium consisting of Unit 8 (the "Unit"), as shown on that certain Condominium Plan ("Plan"), attached as Exhibit "A" to the Declaration entitled "Florence Lane Enabling Declaration Establishing A Plan For Condominium Ownership" recorded in the Official Records of San Mateo County, State of California, on the 5th day of October 2020, Instrument No. 2020-106317, as amended by 'First Amendment to Florence Lane Enabling Declaration Establishing a Plan for Condominium Ownership' recorded in the Official Records of San Mateo County, State of California, on the 10th day of August 2023, Series No. 2023-038500 ("Declaration"). Title shall include 1/ 8th interest in the Common Area as described in the Plan and Declaration, subject to all easements, dedications, and rights of way of record. The Property is situated within the real property more particularly described in the Subdivision Map entitled: "975 Florence Lane", recorded on the 17th day of July 2020, Book 142 of Maps, pages 83-84, San Mateo County Records ("Map"). The Unit shall include the following exclusive use common areas as described in the Declaration and in the Plan as an appurtenance to said Unit:

Parking Space shown on the Plan as "P-5";
Patio designated "PT" on the Plan, followed by the number of the Unit;
Deck designated "D" on the Plan, followed by the number of the Unit.
Yard designated "Y" on the Plan, followed by the number of the Unit.

2. Purchase Price: The Purchase Price of the Property, with all improvements to be installed or constructed thereon by Seller shall be $408,949.00. The Purchase Price will be paid as follows:

(a)	Initial Deposit:	$12,268.47
(b)	Additional Deposit Due Date: Not applicable	None
(c)	Price of Optional Extras or Upgrades: (as of the execution date)	$0.00
(d)	Loan Proceeds (from loan described in paragraph 4)	None
(e)	Remaining Cash Down Payment Due at Closing	$396,680.53
(f)	Estimated Closing Costs (see paragraph 8):	$0
(g)	Estimated Cash Balance Due at Closing:	$396,680.53

Initials:

Buyer _____ Seller _____

TOTAL: $408,949.00

3. Deposits: Buyer hereby delivers to Seller the Initial Deposit indicated in paragraph 2(a), which shall be deposited with Fidelity National Title Group ("Escrow Holder"). In the event Seller does not execute its acceptance of this Agreement, Seller shall immediately return to Buyer the Initial Deposit or instruct the Escrow Holder to return the Initial Deposit to Buyer. In the event the Initial Deposit is given to Seller or Escrow Holder in the form of a check, it shall not be considered delivered and any written acceptance by Seller of this Agreement shall not be effective and Escrow shall not be considered open, until such check has cleared and such funds are available on an unrestricted basis.

In the event Seller accepts this offer, Buyer shall also deliver to Escrow Holder the Additional Deposit (if any) described in paragraph 2(b), above, before the Due Date set forth, which Additional Deposit shall become part of the total Deposit and subject to the liquidated damages provisions of paragraph 14 (if both parties have initialed the liquidated damages provision).

4. Financing:

(a) Verification of Cash Payment Sources: Buyer represents to Seller that Buyer has sufficient funds to make the cash payments of the Purchase Price required to close the Escrow. No later than seven (7) days after the date of the acceptance of this Agreement, Buyer shall deliver to Seller satisfactory documentation that Buyer has funds available in sufficient amounts to enable Buyer to pay the cash to close the Escrow. Such documentation may include financial statements, federal income tax returns, bank statements, and/ or other appropriate documentation that confirms Buyer's unconditional access to the necessary funds to acquire the Property. If Buyer fails to provide such verification within the time required, or if Seller, in the exercise of its reasonable judgement, determines that verification is inadequate, Seller may elect in writing to terminate this Agreement, in which case neither party shall have any further rights or duties, and Buyer's Initial Deposit shall be refunded to Buyer. From time to time after the submittal of the initial documentation and prior to Close of Escrow, Seller may require Buyer to resubmit satisfactory documentation that Buyer has retained sufficient funds to enable Buyer to deliver the cash needed at Close of Escrow. The evidence shall be submitted to Seller no later than seven (7) days after Seller requests the documentation. Buyer's failure to provide such documentation within the time required shall be a breach of this Agreement, and Seller may elect to terminate this Agreement and recover liquidated damages as described in paragraph 14 (if both parties have initialed the liquidated damages provision).

(b) Loan Requirements:

(i) Loan Contingency: Buyer's obligations under this Agreement are contingent on Buyer obtaining loan approval as described in paragraph 4(b)(iii). This contingency must be satisfied or waived, or the Agreement shall terminate, all as described in paragraph 4(b)(iii).

(ii) Loan Application Deadline: No later than seven (7) days after the date of the acceptance of this Agreement Buyer shall deliver to Seller satisfactory evidence that Buyer has submitted a completed loan application to at least one institutional lender ("Lender"). Buyer's failure to provide evidence within the time required is a breach of this Agreement, and Seller may elect to terminate this Agreement and recover liquidated damages as described in paragraph 14 (if both parties have initialed the liquidated damages provision). Buyer must cooperate with the lender in providing the lender with all required documentation in a timely manner to enable lender to grant or deny the loan approval within the loan approval period described in paragraph 4(b)(iii). Buyer's failure to so cooperate shall be a breach of this Agreement and Seller may elect to terminate this Agreement and recover liquidated damages as described in paragraph 14 (if both parties have initialed the liquidated damages provision).

(iii) Loan Approval Deadline: Within thirty (30) days after the date of the acceptance of this Agreement (the "Loan Approval Period"), Buyer shall deliver to Seller written verification of loan approval in the full amount necessary to complete the purchase of the Property. Loan approval means the lender's written approval of the loan to the Buyer in the amount set forth in

Initials:

Buyer _____ Seller _____

paragraph 2, above, subject only to such conditions as may be acceptable to Seller. If loan approval is obtained within the time required, it shall be presumed conclusively that Buyer's loan contingency has been permanently satisfied and that Buyer is obligated to purchase the Property. The loan contingency shall remain satisfied even if the lender's subsequent appraised value of the Property is less than the Purchase Price. If lender's subsequent appraised value is less than the Purchase Price, the provisions of paragraph 4(b)(v) shall apply. If loan approval is not obtained within the Loan Approval Period, either party may elect to terminate this Agreement within five (5) days after the Loan Approval Period. If the termination is for any reason other than Buyer's default, all sums deposited by Buyer shall be refunded to Buyer and neither party shall have any further rights or duties hereunder. If neither party elects to terminate this Agreement in writing within thirty-five (35) days after the date of the acceptance of this Agreement, it shall be presumed conclusively that Buyer's loan contingency has been permanently waived and that Buyer is obligated to purchase the Property.

(iv) Loan Terms: Buyer understands that the interest rate and loan fees prevailing at the time of Close of Escrow might be different from the rate or loan fees or costs quoted by the lender at time of loan approval. Buyer is required to purchase the Property in accordance with this Agreement on the terms available from the lender at Close of Escrow. Buyer may not change lenders after receiving loan approval without Seller's written approval. Seller will not withhold such approval unreasonably, but Buyer agrees that Seller is not obligated to grant such approval if it could delay Close of Escrow.

(v) Appraisal: Buyer acknowledges that Seller has no obligation to adjust the Purchase Price or otherwise compensate Buyer if the appraised value of the Property does not equal or exceed the Purchase Price. If the appraised value results in a reduction in the loan amount described in paragraph 2, Buyer shall be obligated to pay the difference in cash at the Close of Escrow.

5. Construction/Failure to Complete:

(a) Models and Specifications: The Residence shall be constructed in substantial conformity with the plans and specifications therefore which are on file with the City or the County in which the Property is located. Seller is not building the Residence specifically for Buyer, nor to the precise specifications or design of any model home, plan or brochure. Any model home is displayed for illustrative purposes only and such display shall not constitute an agreement or commitment on the part of Seller to deliver the Property in exact accordance with any such model home. Buyer is purchasing a completed Residence, and Seller is not acting as Buyer's general contractor. Consultation with Buyer with respect to the specifications of the Residence to be built shall not, in any case, be deemed a waiver of Seller's rights to make any such changes or substitutions as Seller in its sole discretion deemed necessary. During the course of construction, Seller may substitute, eliminate or modify materials, appliances and fixtures in the Property from those used in the models or shown in the plans and specifications, provided that such modifications meet with the approval of the appropriate governmental entity or agency having jurisdiction over the construction of the Residence and that the substitute materials, appliances and fixtures are of approximately equal or better quality. None of the appurtenances, furnishings and finishes shown in any model home is included in the Residence unless Buyer and Seller specifically agree in writing that the same are included in the total Purchase Price or added as an Optional Item pursuant to paragraph 7. Any changes requested by Buyer will not be made unless Seller agrees in writing.

(b) Construction Period: If construction of the Residence has not been completed as of the date of the acceptance of this Agreement, it shall be completed within one (1) year of the date of the acceptance of this Agreement, with extensions as necessary for work, for military commitments of the United States, or other causes resulting in material economic disruption of the prices and practices of the building industry, weather or labor conditions or availability of materials, or other causes beyond Seller's control.

[It is estimated, but not guaranteed, that construction will be completed by (the "Estimated Completion Date").]

(c) Landscaping: All grading, fill, planting and/ or removal of trees and shrubs, and control of water flow on the Property will be performed in a lawful manner, and consistent with Seller's plans approved by the City, but otherwise will be completed at Seller's sole discretion. As of the Close of Escrow, except as expressly provided in Seller's Limited Warranty, and except as required by California Civil Code Section 896, Seller's responsibility for maintenance of landscaping on the Property, including, without limitation, erosion control, drainage, soil conditions, and conditions of any landscaping and irrigation materials, shall terminate.

(d) Completion: Buyer agrees that recordation of a Notice of Completion and/ or the issuance of a Certificate of Occupancy for the Property by the appropriate City or County, or department or agency, shall constitute conclusive evidence of Seller having met the time deadlines for completion of construction as set forth in paragraph 5(b), above.

(e) Failure to Complete: If Seller fails to complete construction of the Property within ninety (90) days of the Estimated Completion Date, or one (1) year from the date of Seller's acceptance of this Purchase Agreement (as extended for causes beyond control of Seller as provided in paragraph 5(b)), whichever occurs first, Buyer, on written notice to Seller, may terminate this Agreement or may require specific performance. On termination, Buyer's deposit shall be returned in full within fifteen (15) days of such notice and this Agreement shall be terminated.

6. Insulation Disclosure: Insulation will be installed in the Residence in accordance with applicable governmental requirements. Insulation to be installed will be as follows:

Area Insulated	Type of Insulation	Thickness	Manufacturer R-Value of Insulation
Garage Ceilings and Floor	Fiberglass	NA	NA
Exterior Walls of Living Area (excluding garage)	Fiberglass	3.5”	R13
Common Walls (if applicable)	Fiberglass	3.5”	R13
Interior Walls (optional)	Fiberglass	NA	NA
Roofs	Fiberglass	5.5”	R30
Roofs in all areas where ceiling is vaulted	Fiberglass	5.5”	R30

Other areas of the Residence may contain insulation type materials; however, these materials have no influence on the thermal effectiveness of the Residence. Buyer acknowledges and agrees that, notwithstanding the general specifications set forth above, insulation may be of lesser thickness and R-value than indicated in certain areas where the design and/ or construction of the Residence do not permit greater thickness. Examples of such locations where the thickness and R-value may vary include locations where the studs are placed in the walls, at corners, and windows where the roof trusses attach to outside walls. These R-values are based upon the information provided by the manufacturer and/ or installer of the insulation and Seller does not warrant or represent that the R-Values are correct.

7. Options/Upgrades: Seller may offer Buyer various color selections, upgrades, and/ or extras on items that may be installed in the Property (collectively the "Optional Items"). Buyer shall notify Seller of Buyer's decision regarding the Optional Items no later than five (5) days after the Optional Items are presented to Buyer. If Buyer fails to notify Seller within the time required, Buyer conclusively shall be considered to have authorized Seller to select the colors, to have accepted the

standard items, and to have elected no Optional Items. If Buyer selects any Optional Items as offered by Seller, Buyer immediately shall increase the deposit by the cost of the Optional Items, and Seller shall have no obligation to install Optional Items until this increase has been deposited in Escrow. Buyer may select its own upgrades or extras from third parties but under no circumstances shall any third party perform any labor or deliver or install any goods on the Property prior to the Close of Escrow without the prior written consent of Seller. In granting its consent, Seller may impose such conditions as Seller, in its sole discretion, considers necessary to protect the Property from liens or other rights or remedies of the party performing the labor or providing the goods. Any upgrades or extras that may be installed by third parties are limited to the types of Optional Items offered by Seller. Deposits to Escrow for upgrades or extras shall be paid to Seller at closing. If Buyer defaults, said deposit shall be retained in Escrow. At the request of either party to the other and to the Escrow Holder, disposition of said funds shall be settled by arbitration as provided in Paragraph 14 (if both parties have initialed the liquidated damages provision).

8. Escrow:

(a) Opening of Escrow: An escrow (the "Escrow") shall be opened by Seller with Escrow Holder to consummate the purchase and sale of the Property, within five (5) business days of the acceptance of this Agreement by Seller. The parties agree to execute supplemental or additional Escrow Instructions consistent with this Agreement as may be reasonably required by Escrow Holder. Buyer shall execute promptly all documents and make all Deposits required by Seller, Escrow Holder, Lender or governmental agency having jurisdiction over matters in question. If Buyer fails to perform under this provision, Buyer shall be in material default hereunder, and Seller shall be entitled to terminate this Agreement and the Escrow and retain Buyer's deposit as liquidated damages as provided in paragraph 14 hereof (if both parties have initialed the liquidated damages provision).

(b) Prorations/Costs: As of the Close of Escrow, the following shall be pro-rated: Current real property taxes and assessments; cost of any fire and extended coverage insurance paid by Seller, if applicable; and current Homeowners Association assessment, if any.

The following items shall be paid by Buyer at the Close of Escrow: Title insurance fees; recording costs, Escrow fees, transfer taxes, loan fees, inspection fees, and all fees and impounds required by any lender.

(c) Delay Due to Buyer: In the event Escrow does not close upon the Closing Date provided for in paragraph 8(f) due to Buyer's failure to timely perform its obligations under this Agreement, Buyer acknowledges that Seller will be materially harmed due to additional expenses that will be incurred by Seller as carrying costs for the Property (which include, without limitation, loan interest charges, property taxes and insurance costs). Therefore, in such event, Seller shall have the right to terminate this Agreement and retain Buyer's Deposit as liquidated damages under paragraph 14 (if both parties have initialed the liquidated damages provision); provided, however, Buyer may make a written request to extend the Closing Date by paying Seller's daily carrying costs applicable to the Property during the period of such delay in the amount of $200 per day ("Extension Payment"), which request may be approved or denied by Seller in its sole and absolute discretion, by written notice to Buyer. In the event Seller approves such request for extension, Buyer shall deposit into Escrow the applicable Extension Payment and shall execute any additional liquidated damages agreement and any extension Escrow Instructions required by Escrow Holder. The payment of such Extension Payment will not constitute a waiver by Seller of any default or breach of the Agreement by Buyer in failing to timely perform its obligations to close the Escrow by the extended Closing Date, and Seller's right to damages set forth in paragraph 14 (if both parties have initialed the liquidated damages provision) shall not be limited by the terms of this paragraph 8(c). Any such Extension Payment made by Buyer shall not be applicable to the Purchase Price and shall be separate consideration to Seller for Seller's agreement to extend the Closing Date.

(d) Title Insurance: Buyer will receive a CLTA policy of title insurance effective as of the Closing Date, insuring title to the Property in Buyer's name free and clear from liens and encumbrances (except those created by Buyer) and subject to the lien of current taxes (not

Initials:

Buyer _____ Seller _____

delinquent), the recorded Declaration, and any other easements, reservations, rights, and rights of way of record. All bonds and assessments which are part of or paid with the Property tax bill will be assumed by Buyer. Current installments will be pro rated as of the Closing Date. Buyer and Seller agree that if Buyer does not desire that the title insurance be obtained from the title company represented by Escrow Holder, Buyer may designate any other responsible title insurance company, and, if such other insurance company is acceptable to Seller, and to Buyer's lender, such insurance policy will be obtained from the company designated by Buyer. If Buyer fails to so designate an alternate insurance company within five (5) days after Buyer's execution of this Agreement, such failure shall constitute an irrevocable waiver of Buyer's right to designate an alternate insurance company. Buyer's designation of an alternate insurance company shall not affect Seller's right to designate the Escrow Holder, or result in the transfer of the Escrow to some other escrow holder.

(e) Close of Escrow: Escrow shall close on or before thirty (30) days but not less than five (5) days after Buyer receives notice from Seller that the Property is ready for occupancy and Seller is prepared to close. The notice shall contain the scheduled Closing Date (the "Closing Date"). The Closing Date shall not be more than 12 months after Seller's acceptance of this Agreement, unless Buyer and Seller agree to an extension. If Escrow does not close on the Closing Date (or any extended Closing Date) for reasons other than Buyer's default, Seller shall instruct Escrow Holder to return all Deposits to Buyer within fifteen (15) days thereafter and then this Agreement shall be terminated. As used herein the term "Close of Escrow," "Closing Date" or "Closing" shall mean the date the grant deed conveying the Property to Buyer is recorded in the Office of the Recorder in the county in which the Property is located.

[Because of the nature of the home building industry, the actual Closing Date could be extended by weeks, or even months. Should Seller be delayed in substantially completing the Residence by reason of causes beyond Seller's control (as described in paragraph 23) the time of such delay shall be automatically added to the time specified for the Closing Date. Notwithstanding the foregoing, if the Escrow does not close within one (1) year following the date of acceptance of this Agreement by Seller other than due to Buyer's default, this Agreement shall, upon Buyer's written request to Escrow Holder, be terminated, and any Deposit shall be returned to Buyer within fifteen (15) days, and following such termination neither party shall have any further obligation to the other under this Agreement. However, if Buyer does not provide a written request for termination to Escrow Holder within seven (7) days following the first anniversary of the date of acceptance of this Agreement by Seller, Buyer shall be deemed to have consented to a later Closing, and shall no longer have the right to terminate the Agreement. In addition, in the event Escrow does not close within one (1) year following the date of acceptance of this Agreement due to causes beyond the control of Seller as described in paragraph 23, Seller shall have the right to terminate this Agreement by delivering a written request to Escrow Holder within thirty (30) days following the first anniversary date of this Agreement. Upon such termination by Seller, any deposit shall be returned to Buyer within fifteen (15) days of Seller's notice of termination, and, following such termination, neither party shall have any further obligation to the other under this Agreement.]

The foregoing notwithstanding, the Closing shall not occur until the following events have occurred:

(i) All blanket encumbrances affecting the Property, if any, as defined in Section 11013 of the Business and Professions Code, have been fully released and reconveyed; or the holder of the deed of trust has executed a release agreement per Regulation 2791.1(b)(2)(A), which agreement has been deposited with Escrow Holder, and Buyer has been provided with a policy of title insurance insuring against loss by reason of the deed of trust, and until legal title, or leasehold interest, as applicable, is conveyed to the Buyer;

(ii) Seller has recorded a Notice of Completion, as defined in Section 8182 of the Civil Code, for the construction of all structures, landscaping and other improvements on the Property, as applicable, to be constructed or installed pursuant to this Agreement or any addenda hereto;

(iii) The residential structure in which the Buyer's Unit is located has been completed, and the statutory period for recording of any mechanics' liens against the Property (including Buyer's separate interest and undivided interest in the entire Project, as defined in the Declaration) has expired, or Buyer is provided with a policy of title insurance and endorsement insuring Buyer against unrecorded mechanics' liens affecting the Buyer's separate and undivided interests in the entire Project. Such policy of Title Insurance shall be in an amount not less than the cost of the completed improvements or the purchase price of the Property; and,

(iv) The statutory period for recording of any mechanic's liens against the Property has expired, or Buyer is provided with a policy of title insurance and endorsement insuring Buyer against unrecorded mechanics' liens.

(f) RE621 Procedures: As an alternative to subparagraphs (e)(i), (ii) (iii) and (iv) above, the Escrow for the purchase and sale of the Property covered by this Agreement shall close if Seller has provided security or evidence of cash deposit or letter of credit pursuant to Business and Professions Code Sections 11018.5(a)(2)(A) or 11018.5(a)(2)(E) for purposes of assuring lien-free completion of the subdivision improvements in the Subdivision which have not been completed as of the date of issuance of the Final Public Report for the Project pursuant to Department of Real Estate Form RE621A, and Buyer will receive a policy of title insurance covering the Property which Buyer is to purchase under this Agreement insuring against possible future mechanics liens which are not recorded as of the date of Close of Escrow for the Property.

9. Title: Buyer shall receive a copy of the preliminary title report for the Property for review and approval prior to Close of Escrow. If Buyer does not notify Escrow Holder in writing on or before three (3) business days after receipt of the report that Buyer disapproves of the preliminary title report, the preliminary title report will be deemed approved. Unless otherwise designated by Buyer to Escrow Holder prior to the Close of Escrow, title shall vest in Buyer as follows:

____ Husband and Wife as Community Property
____ A Married Person as his/ her Sole and Separate Property
____ Joint Tenants, Each With a ____% Undivided Interest
____ A Single/ Unmarried Person
____ Tenants as Common, Each With a ___% Undivided Interest
____ _____ and _____ as Trustees of The Trust
____ To be Determined
_X_ City of Menlo Park, a municipal corporation.

[*Note: The matter of taking title may have significant legal and tax consequences. You should consult with a professional regarding such consequences. Unless you otherwise designate in further instructions to Escrow Holder, title to the Property shall be vested as stated above.*]

10. Possession.

(a) Entry Upon the Property: Buyer acknowledges that entry upon the Property during construction can be dangerous and that hazards may exist which are not observable. Buyer's entry upon the Property shall be solely at Buyer's risk. Buyer must obtain permission from Seller prior to entering the Property and must be accompanied by an authorized representative of Seller, and, if required, wear a hard hat and comply with all safety procedures established by Seller. Buyer hereby waives any and all claims against Seller for injury or loss to person or property arising out of or in connection with, such entry by Buyer or any other person accompanying Buyer or entering at Buyer's direction. Buyer shall indemnify, defend and hold Seller and its officers, employees, contractors, subcontractors and agents harmless from and against any injury, loss, damage or expense to persons or property arising out of, or in connection with, any such entry. Under no circumstances may any work be performed on the Property prior to Close of Escrow by Buyer or any agents of Buyer, or anyone other than Seller and its authorized agents without Seller's written consent.

(b) Occupancy. Possession and occupancy of the Property shall be delivered to Buyer at the Close of Escrow, and Buyer shall have no right to possession or occupancy prior to the Close of Escrow. [If, for any reason, Seller is unable to deliver the Property in accordance with this

Agreement, Buyer's sole remedy shall be rescission of this Agreement and return of all Deposits made by Buyer.]

11. Destruction of the Property Prior to Close of Escrow: If the improvements on the Property are destroyed, materially damaged, or found to be materially defective as a result of such damage prior to Close of Escrow, Buyer may terminate this Agreement by written notice delivered to Seller or his or her Broker, and all Deposits will be returned. In the event Buyer does not elect to terminate this Agreement, Buyer shall either (i) be entitled to receive the Property, in its then "as-is" condition, and any insurance proceeds payable on account of the damage or destruction of the improvements on the Property, in which event, Buyer shall assume all responsibility for the construction of the Residence and other improvements on the Property; or (ii) complete the purchase of the Property after allowing Seller a reasonable period of time to repair or replace the damaged or destroyed improvements, and waive any and all rights to any insurance proceeds.

12. Receipt of Documents: Buyer has received and has had the opportunity to read, prior to the execution of this Agreement, the California Department of Real Estate's Final Subdivision Public Report for the Property, including the statement entitled "Common Interest Development General Information" that was included as a part of the Final Subdivision Public Report.

Buyer acknowledges receipt of the exhibits, addenda and disclosures listed below which are incorporated into this Agreement by reference herein, and Buyer agrees to be bound by all the terms and provisions set forth therein. Seller may deliver additional addenda or disclosures to Buyer in connection with the sale of the Property, the receipt of which shall be acknowledged in writing by Buyer and thereafter shall be incorporated into the terms of this Agreement:

Document	Buyer's Initials
Enabling Declaration Establishing a Plan for Condominium Ownership (or other title used) (CC&Rs)	___
First Amendment to Florence Lane Enabling Declaration Establishing a Plan for Condominium Ownership	___
Articles of Incorporation of Florence Lane Condominium Association	___
Bylaws of Florence Lane Condominium Association	___
Association's Budget (approved by DRE)	___
Statement from Association regarding any outstanding delinquent assessments and related to charges levied by the Association against the Property to be purchased (if applicable)	SEE ADDENDUM
Seller's Disclosure and Information Statement.	SEE ADDENDUM
Escrow Holder's General Instructions.	SEE ADDENDUM
Natural Hazards Disclosure Statement.	SEE ADDENDUM
Seller's Limited Warranty (sample).	SEE ADDENDUM
Seller's Homeowners Handbook.	SEE ADDENDUM

Buyer agrees to provide copies of all these documents to any subsequent purchasers from Buyer, prior to the transfer of title.

Buyer's Initials _____

13. Association Membership and Assessments: Buyer acknowledges that the Florence Lane Condominium Association has been established for the purpose of operating and maintaining certain portions of the Project and Buyer understands that by purchasing the Property Buyer automatically becomes a member of the Association and is bound to abide by the provisions of the Project legal documents, including those referred to in paragraph 12, and any rules and regulations that may be adopted by the Association. The monthly assessments to be paid to the Association by the Owner of each Unit in the Project are set forth in the approved Project budget. The budget is based upon Seller's best estimates. The budget shall be revised annually.

14. LIQUIDATED DAMAGES: IF BUYER FAILS TO COMPLETE THE PURCHASE OF THE PROPERTY BY REASON OF A DEFAULT OF BUYER, SELLER SHALL BE RELEASED FROM ALL OBLIGATIONS TO SELL THE PROPERTY TO BUYER, AND SELLER MAY PURSUE ANY REMEDY THAT SELLER MAY HAVE IN LAW OR EQUITY AGAINST BUYER ON ACCOUNT OF THE DEFAULT; PROVIDED, HOWEVER, THAT BY PLACING THEIR INITIALS HERE (BUYER ________) (SELLER ________) THE PARTIES AGREE THAT:

(a) $12,268.47 (THE "LIQUIDATED DAMAGES AMOUNT") [(AN AMOUNT NOT TO EXCEED THREE PERCENT (3%) OF THE PURCHASE PRICE OF THE PROPERTY),] REPRESENTING SELLER'S ESTIMATE OF THE PROBABLE COST OF TAKING THE PROPERTY BACK INTO INVENTORY, IT BEING AGREED THAT SELLER'S ACTUAL DAMAGES WOULD BE DIFFICULT TO COMPUTE AND THAT SAID AMOUNT OF LIQUIDATED DAMAGES BEARS A REASONABLE RELATIONSHIP TO SELLER'S PROBABLE ACTUAL DAMAGES IN THE EVENT OF BUYER'S DEFAULT, SHALL CONSTITUTE LIQUIDATED DAMAGES PAYABLE TO SELLER IN THE EVENT OF A DEFAULT BY BUYER; AND

(b) THE PAYMENT OF SUCH LIQUIDATED DAMAGES TO SELLER SHALL CONSTITUTE THE EXCLUSIVE REMEDY OF SELLER ON ACCOUNT OF THE DEFAULT OF BUYER AND SHALL BE IN LIEU OF ANY OTHER MONETARY RELIEF TO WHICH SELLER MIGHT OTHERWISE BE ENTITLED; AND

(c) THE SUM STIPULATED AS LIQUIDATED DAMAGES SHALL BE PAYABLE TO SELLER ACCORDING TO THE FOLLOWING PROCEDURES:

(i) IF ESCROW HOLDER HAS RECEIVED THE DEPOSIT, AT ANY TIME AFTER THE DATE PROVIDED HEREIN FOR THE CLOSE OF ESCROW, OR ANY EXTENDED DATE FOR CLOSING, SELLER SHALL GIVE WRITTEN NOTICE TO ESCROW HOLDER AND TO BUYER IN THE MANNER PRESCRIBED IN §116.340 OF THE CODE OF CIVIL PROCEDURE FOR SERVICE IN A SMALL CLAIMS ACTION, STATING THAT THE BUYER IS IN DEFAULT AND DEMANDING THAT THE ESCROW HOLDER REMIT TO THE SELLER THE LIQUIDATED DAMAGES AMOUNT FROM THE PURCHASE MONEY HELD BY THE ESCROW HOLDER AS LIQUIDATED DAMAGES, UNLESS THE BUYER GIVES WRITTEN OBJECTION TO THE ESCROW HOLDER WITHIN TWENTY (20) DAYS. IF THE AMOUNT OF FUNDS DISBURSED TO SELLER IS LESS THAN THE AGREED AMOUNT OF LIQUIDATED DAMAGES, THE BALANCE SHALL BE A DEBT OF THE BUYER TO THE SELLER. THE BUYER SHALL HAVE TWENTY (20) DAYS FROM THE DATE OF RECEIPT OF THE SELLER'S NOTICE AND DEMAND IN WHICH TO GIVE THE ESCROW HOLDER BUYER'S WRITTEN OBJECTION TO DISBURSEMENT OF THE PURCHASE MONEY AS LIQUIDATED DAMAGES AND INSTRUCTIONS TO THE ESCROW HOLDER NOT TO SO DISBURSE THE PURCHASE MONEY.

(ii) IF SELLER IS HOLDING THE DEPOSIT IN ACCORDANCE WITH PARAGRAPH 3, AT ANY TIME AFTER THE DATE PROVIDED HEREIN FOR THE CLOSE OF ESCROW, OR ANY EXTENDED DATE FOR CLOSING, SELLER SHALL GIVE WRITTEN NOTICE TO BUYER IN THE MANNER PRESCRIBED IN §116.340 OF THE CODE OF CIVIL PROCEDURE FOR SERVICE IN A SMALL CLAIMS ACTION, STATING THAT THE BUYER IS IN DEFAULT. SELLER SHALL CONCURRENTLY TRANSFER THE DEPOSIT TO THE ESCROW HOLDER AND PROCEED AS PROVIDED IN (i) ABOVE.

Initials:

Buyer _____ Seller _____

(iii) IF BUYER GIVES SUCH WRITTEN OBJECTION AND INSTRUCTIONS TO ESCROW HOLDER, WITHIN 20 DAYS AFTER THE RECEIPT OF SELLER'S NOTICE AND DEMAND, THE CONTROVERSY AND THE DISPOSITION OF THE FUNDS DEPOSITED INTO THE ESCROW BY BUYER SHALL BE SETTLED BY BINDING ARBITRATION WITH THE JUDICIAL ARBITRATION MEDIATION SERVICES ("JAMS"), AS PROVIDED IN PARAGRAPH 15. JUDGMENT UPON THE AWARD RENDERED BY THE ARBITRATOR(S) MAY BE ENTERED IN ANY COURT HAVING JURISDICTION THEREOF.

(iv) IF BUYER FAILS TO GIVE TO ESCROW HOLDER, WITHIN TWENTY (20) DAYS AFTER RECEIPT OF SELLER'S NOTICE AND DEMAND, WRITTEN NOTICE OF BUYER'S OBJECTIONS: (a) ESCROW HOLDER SHALL PROMPTLY REMIT THE LIQUIDATED DAMAGES AMOUNT TO SELLER; AND (b) SELLER SHALL BE RELEASED FROM ANY OBLIGATION TO SELL THE PROPERTY TO BUYER.

(v) IF THE CONTROVERSY IS REFERRED TO ARBITRATION, THE PROVISIONS OF PARAGRAPH 15 SHALL APPLY.

(vi) SELLER AGREES TO INDEMNIFY AND HOLD ESCROW HOLDER HARMLESS FROM ANY CLAIM ARISING OUT OF ANY DISTRIBUTIONS MADE BY ESCROW HOLDER IN ACCORDANCE WITH AND PURSUANT TO THE PROVISIONS OF THIS PARAGRAPH.

NOTE: IF BOTH BUYER AND SELLER DO NOT INITIAL THIS PARAGRAPH IN THE SPACES PROVIDED ABOVE, THIS PARAGRAPH 14 IS NOT OPERATIVE. THE BALANCE OF THE AGREEMENT REMAINS OPERATIVE.

15. ARBITRATION OF DISPUTES: BY THE INITIALING OF THE SPACE BELOW, IT IS AGREED THAT ANY CLAIM OR DISPUTE BETWEEN THE BUYER AND THE SELLER, OR THE BUILDER, GENERAL CONTRACTOR, ESCROW HOLDER, OR BROKER, ARISING OUT OF THIS CONTRACT OR RELATING IN ANY WAY TO THE PROPERTY BEING PURCHASED HEREUNDER AND EVERY OTHER DISPUTE BETWEEN SELLER AND BUYER THAT HAS ARISEN UNDER THE CONTRACT, (EXCEPT FOR CLAIMS FOR DAMAGES FOR CONSTRUCTION DEFECTS, WHICH SHALL BE SUBJECT TO AND GOVERNED BY THE PROVISIONS OF PARAGRAPH 17 OF THIS AGREEMENT), SHALL BE DETERMINED BY SUBMISSION TO BINDING ARBITRATION PURSUANT TO THE FOLLOWING:

(a) costs and fees of the arbitration, including ongoing costs and fees of the arbitration shall be paid as agreed by the parties, and, if the parties cannot agree, as determined by the arbitrator; provided, however, if the Seller is a party to the arbitration, then any fee to initiate arbitration shall be paid by Seller, but the cost of arbitration shall ultimately be borne as determined by the arbitrator;

(b) a neutral and impartial individual shall be appointed to serve as arbitrator, with the arbitrator to be selected by mutual agreement of the parties. If the parties are unable to agree on an arbitrator within fifteen (15) days after any party initiates the arbitration, a neutral and impartial arbitrator shall be selected by the JAMS. In selecting the arbitrator, the provisions of §1297.121 of the Code of Civil Procedure shall apply. An arbitrator may be challenged for any of the grounds listed in §1297.121, or in §1297.124 of the Code of Civil Procedure;

(c) venue of the arbitration to be in San Mateo County;

(d) the arbitration shall commence in a prompt and timely manner in accordance with (i) the Commercial Rules of the JAMS, or if the rules do not specify a date by which arbitration is to commence, then (ii) by a date agreed upon by the parties, and if they cannot agree as to a commencement date, (iii) a date determined by the arbitrator. The arbitrator shall apply California substantive law in rendering a final decision. The arbitrator shall have the power to grant all legal and equitable remedies and award compensatory damages. When the arbitrator is prepared to make the award, the arbitrator shall first so inform the parties, who shall have ten (10) days to attempt to resolve the matter by a binding agreement between them. If the parties resolve the matter, the arbitrator shall not make any award. If the parties do not so resolve the matter within the ten (10) day period, the arbitrator shall make the award on the eleventh day following the arbitrator's notice of being prepared to make the award;

(e) the arbitration shall be conducted in accordance with the Commercial Rules of the JAMS;

(f) the arbitration shall be conducted and concluded in a prompt and timely manner;

(g) the arbitrator(s) shall be authorized to provide all recognized remedies available in law or equity for any cause of action that is the basis of arbitration. The arbitrator(s) shall not have the power to commit errors of law or legal reasoning;

(h) a judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction or application may be made to such court for judicial acceptance of the award and an order of enforcement.

(i) Preliminary Procedures. If state or federal law requires an Owner, the Association or Seller to take steps or procedures before commencing an action in arbitration, then the Owner, the Association or Seller must take such steps or follow such procedures, as the case may be, before commencing the arbitration. For example, any claim or Disputes pursuant to California Civil Code Section 895 et seq., as hereafter amended may be subject to the non-adversarial procedures set forth in California Civil Code Section 910 through 938, prior to the initiation of any arbitration. In addition, nothing contained herein shall be deemed a waiver or limitation of the provisions of California Civil Code 6150, 6000 and 6100;

(j) Participation by Other Parties. An Owner, the Association and Seller, to such extent any such party is defending a claim in the arbitration, may, if it chooses, have all necessary and appropriate parties included as parties to the arbitration; and,

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 BINDING ARBITRATION UNDER PROCEDURES PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, EXCEPT AS HEREIN PROVIDED. 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.

IF THE MATTER PROCEEDS TO ARBITRATION, DISCOVERY SHALL BE ALLOWED PURSUANT TO CODE OF CIVIL PROCEDURE § 1283.05. ARBITRATION OF ANY MATTER PURSUANT TO THIS CLAUSE SHALL NOT BE DEEMED A WAIVER OF THE ATTORNEY/ CLIENT OR ATTORNEY/ WORK PRODUCT PRIVILEGE IN ANY MANNER.

WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES"

PROVISION TO NEUTRAL BINDING ARBITRATION. BY PLACING THEIR INITIALS HERE THE PARTIES AGREE TO ARBITRATION.

(BUYER _________ _________) (SELLER _________)

16. Notices: All notices must be in writing and delivered to the addresses set forth on page 1, above. All notices of default must be sent by certified or registered mail, return receipt requested, or receipt of hand delivery. Notices are deemed received two (2) days after mailing or on the date shown on the receipt for hand delivery. Either party may change its address for the purposes of this paragraph by giving written notice in the manner set forth herein.

BUYER UNDERSTANDS AND ACKNOWLEDGES THAT BUYER IS RESPONSIBLE FOR ADVISING SELLER OF ANY CHANGE IN BUYER'S ADDRESS FROM THE ADDRESS STATED IN THIS AGREEMENT, AND SELLER SHALL BE ENTITLED TO RELY UPON THE ADDRESS OF BUYER STATED IN THIS AGREEMENT UNLESS AND UNTIL IT HAS BEEN CHANGED BY BUYER IN THE MANNER SET FORTH IN THIS PARAGRAPH.

Buyer's Initials _____

17. Warranties and Representations; Construction or Design Disputes:

(a) Disclaimer - Consumer within Products, Warranties Limited to Manufacturers: Buyer acknowledges that Seller makes no warranties, including, without limitation, warranties as to merchantability or fitness, either express or implied, with respect to appliances or other Consumer Products, either attached to or installed in the Residence, and Seller is not responsible for any promise or warranty made by the manufacturers of such products. Seller shall make available to Buyer all written warranties of Consumer Products which may be installed in the Residence as the term "Consumer Products" is defined in the U.S. Code, and in the Federal Trade Commission Rules and Regulations. Buyer agrees to look solely to the manufacturers and not the Seller with respect to warranties on such Consumer Products which include, but are not limited to, the following, as applicable: Furnace; air-conditioner; exhaust fan; thermostat; smoke detector; door chime; electric meter; water meter; gas meter; garbage disposal; water heater; dishwasher; range; oven; oven hood; washer; dryer; refrigerator; freezer; microwave oven and other similar items.

(b) LIMITED WARRANTY: SELLER WILL PROVIDE BUYER WITH A LIMITED WARRANTY PROVIDING: (I) LIMITED WARRANTY FOR THE BUILDING COMPONENTS OF THE RESIDENCE SET FORTH IN CALIFORNIA CIVIL CODE SECTION 900. (THIS INCLUDES THE FIT AND FINISH OF CABINETS, MIRRORS, FLOORING, INTERIOR AND EXTERIOR WALLS, COUNTER TOPS, PAINT FINISHES, AND TRIM); AND (II) A WARRANTY OF THE "FUNCTIONALITY STANDARDS" AS SET FORTH IN CALIFORNIA CIVIL CODE SECTIONS 895 THROUGH 897. EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT, AND IN THE LIMITED WARRANTY SELLER IS NOT MAKING OR OFFERING ANY WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROPERTY, THE RESIDENCE, OR THE PROJECT, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY, HABITABILITY, QUALITY OF CONSTRUCTION OR FITNESS FOR A PARTICULAR PURPOSE. SELLER EXPRESSLY DISCLAIMS ANY WARRANTIES OTHER THAN SELLER'S AS STATED HEREIN. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, BUYER ACKNOWLEDGES AND AGREES, IN THE EVENT OF ANY POST-CLOSING DISPUTES IN WHICH IT IS DETERMINED THAT SELLER HAS BREACHED ITS CONTRACTUAL, STATUTORY, OR COMMON LAW DUTIES TO BUYER, OR HAS BREACHED THE LIMITED WARRANTY, THAT SELLER SHALL BE LIABLE ONLY FOR THE DAMAGES RECOVERABLE UNDER CIVIL CODE SECTION 944. UNDER NO CIRCUMSTANCES SHALL SELLER BE LIABLE FOR ANY OTHER DAMAGES, WHETHER SPECIAL, CONSEQUENTIAL, INDIRECT, INCIDENTAL OR PUNITIVE DAMAGES, OR DAMAGES FOR EMOTIONAL DISTRESS. ANY DISPUTE BETWEEN THE BUYER AND THE SELLER ARISING OUT OF THE WARRANTY SHALL BE SUBMITTED TO JUDICIAL REFERENCE OR ARBITRATION AS PROVIDED IN THE LIMITED WARRANTY AGREEMENT.

(c) Customer Care Program and Homeowner/Association Maintenance: Buyer understands that Buyer is obligated to follow all reasonable maintenance obligations and schedules communicated in writing to the Buyer by Seller and by product manufacturers, as well as commonly accepted maintenance practices, as provided in Civil Code Section 907, and that failure of the Buyer to satisfy the obligations may result in invalidation of warranties and provide Seller with a defense to any claim of breach of warranty. BUYER AGREES TO FOLLOW THE MAINTENANCE REQUIREMENTS SET FORTH IN AND/ OR REFERRED TO IN THE COVENANTS, CONDITIONS & RESTRICTIONS, IN THE LIMITED WARRANTY, AND IN THE HOMEOWNERS HANDBOOK (IF APPLICABLE), AS SUPPLIED BY SELLER AT THE CLOSE OF ESCROW.

Buyer agrees to provide copies of the Limited Warranty and the Homeowners Handbook (if applicable) to any subsequent purchasers from Buyer, prior to the transfer of title. Buyer's Initials ______

(d) CONSTRUCTION OR DESIGN DISPUTES: BY INITIALING THE SPACE BELOW, THE PARTIES AGREE THAT ANY CIVIL ACTION OR PROCEEDING INVOLVING A DISPUTE ARISING OUT OF OR RELATING TO THIS AGREEMENT, RELATING TO CONSTRUCTION DEFECTS, DESIGN, PLANNING, ENGINEERING, TESTING, SURVEYING, AND CONSTRUCTION OF IMPROVEMENTS TO THE PROPERTY, SHALL BE RESOLVED AS PROVIDED IN EXHIBIT "A" ATTACHED HERETO, AND IN COMPLIANCE WITH ARTICLE IX, SECTION 9.14 OF THE DECLARATION WITH RESPECT TO THE "CLAIMS" REFERENCED THEREIN.

WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS REFERRED TO IN THIS PROVISION TO JUDICIAL REFERENCE PURSUANT TO THE PROVISIONS OF EXHIBIT "A".

INITIALS: BUYER _______ SELLER _______

18. Assignments; Successors and Assigns: This Agreement may not be assigned by the Buyer without written consent of Seller, which consent may be granted or withheld by Seller in Seller's absolute discretion. Neither Buyer nor Buyer's agent may sell or market the Property to others, or sign any agreement for the listing, sale or transfer of the Property until after the Close of Escrow. Violation of the foregoing shall constitute a material breach of this Agreement entitling Seller, at its option, to terminate this Agreement, and to retain Buyer's deposit pursuant to paragraph 14 of this Agreement (if both parties have initialed paragraph 14) This Agreement shall bind the heirs, executors, administrators, and successors of the parties, and their assigns (subject to the limitations stated above).

19. Lease of Residences: Buyer understands that Seller reserves the right to lease remaining unsold Residences from time to time, pending sale and Close of Escrow of said Residences.

20. Inspection: Unless otherwise agreed upon by Buyer and Seller, prior to the Closing Date, Seller shall provide Buyer with a reasonable opportunity to inspect the Property by notifying Buyer of the date upon which Buyer shall be provided with an orientation and walk-through of the Property. Immediately after such orientation and walk-through, Buyer shall deliver to Seller, or Seller's agent, on a form provided by Seller, a list of all items or conditions of the Property which, in Buyer's opinion, are in need of correction. All corrective work requested which is deemed necessary and appropriate by Seller, in its sole and absolute discretion, and which Seller agrees to correct, will be completed by Seller as soon as reasonably possible. Buyer agrees that the corrective work to be completed by Seller pursuant to this paragraph may be completed after the Close of Escrow and the Closing Date shall not be extended by reason of any corrective work. Buyer's failure to attend a walk-through inspection of the Property after Seller's notice to schedule such inspection shall be deemed acceptance by Buyer of the condition of the Property at the Closing Date, subject only to the terms and conditions covered in the warranties described in paragraph 17, above.

21. Contingencies: Unless Buyer and Seller have executed a written Contingency Addendum, the purchase of the Property is not contingent on the prior sale of other property. Buyer acknowledges and agrees that Seller has no obligation to execute a Contingency Addendum.

22. Cooperation/Non-Interference: Buyer shall cooperate with Seller in the process of completing the construction and delivery of the Residence by meeting required deadlines and providing such cooperation as may be reasonably requested by Seller. Buyer shall not interfere with the work in progress in any manner, including, without limitation, by unauthorized visits to the construction site, by directing or attempting to direct, or advise construction personnel on methods of completion or installation, by requesting custom work (other than that agreed to by Buyer and Seller in writing) or by any other activity that would interfere with completion of the home on a timely basis.

23. Force Majeure Events: Seller is not responsible for "force majeure events," which means events which are beyond Seller's reasonable control, including, but not limited to, strikes, boycotts, unavailability of materials, labor shortages, delays in receiving materials, governmental interference in the market place, moratoriums, civil riot, insurrection, war, acts of terrorism, foreign military commitments, flood, fire, earthquake, act of God, unusually severe weather, delays or inaction of independent contractors, litigation, or delays caused by conditions imposed on the Project (or any part thereof) by any governmental entity resulting in significantly increased costs or delays.

24. Interpretation: Any rule of law (including California Civil Code Section 1654), or legal decision that would require interpretation of any ambiguities in this Agreement against the party that has drafted it is not applicable and is waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the purposes of the parties and this Agreement. Buyer and Seller acknowledge that changes in economic conditions during the Escrow period may cause the terms and conditions not to appear as satisfactory as when the Agreement is signed. Nonetheless, Buyer and Seller agree they are bound to such terms and conditions and agree to take all necessary and appropriate actions to cause Escrow to close in a timely fashion.

25. Modifications: All amendments or other modifications of this Agreement must be in writing and signed by the parties hereto.

26. Time: Time is of the essence of this Agreement.

27. Severability: Should any provision or portion of this Agreement be declared invalid or in conflict with any law of the jurisdiction where this Project is situated, the validity of all other provisions and portions of this Agreement shall remain unaffected and in full force and effect. The parties further agree to replace any such invalid, illegal or unenforceable portion with a valid and enforceable provision which will achieve, to the extent possible, the economic, business or other purposes of the invalid, illegal or unenforceable portion.

28. No Waiver: The waiver by Seller of any term, condition or provision of this Agreement shall not be construed as a waiver of any other term, condition or provision of this Agreement.

29. Entire Agreement: This Agreement constitutes the sole and entire agreement between Buyer and Seller for the purchase and sale of the Property, and supersedes all prior agreements, representations or understandings, oral or written. All advertising material and/ or prior statements and representations, if any, whether oral or written, are replaced and superseded by this Agreement. The terms of this Agreement may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. No addition or modification of any term or provision of this Agreement shall be effective except in a writing signed by Buyer and Seller. Buyer acknowledges and agrees that Buyer has not and will not rely upon any representation made by Seller or any of its agents, employees or representative concerning the Property or the Project, including, without limitation, the condition or use of the Property or the Project, or the rights or duties of the parties under this Agreement, except as expressly set forth in this Agreement. Any right or duty described herein that by its terms extends beyond the Close of Escrow shall survive the Close of Escrow and remain in full force and effect in accordance with its terms.

30. Buyer's Offer; Right to Rescind: Buyer has read and understood the provisions contained herein and offers and agrees to purchase the Property on these terms. Buyer further understands that this Agreement initially is an offer only and will not become a binding contract until

accepted by Seller, and is subject to the possible acceptance by Seller of an offer from another Buyer. Buyer grants the undersigned agent the irrevocable right for a period of five (5) days from the date hereto to obtain an acceptance of this offer by Seller. The signature of the sales person receipting for the Initial Deposit is not an acceptance by Seller. A valid acceptance of this offer requires a signature of a representative of Seller authorized to accept Buyer's offer. Buyer has three (3) calendar days from the date Buyer signs this offer to rescind this offer, or if Seller has accepted this offer, to rescind the Agreement (the "Rescission Period"). Buyer may rescind by notifying Seller in writing of Buyer's election to rescind on or before the termination of the Rescission Period (the "Rescission Notice"). If Buyer elects to rescind, the offer shall be rescinded; or if Seller has accepted the offer, the Agreement shall be rescinded, all deposits shall be refunded in full to Buyer and thereafter neither party shall have any further rights or duties hereunder. If Seller fails to receive the Rescission Notice within the Rescission Period, it shall be presumed conclusively that Buyer has elected not to rescind the offer or the Agreement, and that Buyer's right of rescission has terminated. The purpose of the Rescission Period is to provide Buyer with additional time to review the sales documentation provided to Buyer by Seller or Seller's agent and, if desired, to have this Agreement and the sales documentation reviewed by legal counsel of Buyer's choosing.

31. FIRPTA: The Foreign Investment and Real Property Tax Act (FIRPTA) requires a buyer purchasing real property from a foreign person to withhold tax from the sale proceeds unless an exemption applies. Seller agrees to provide Buyer with a certification establishing that no Federal income tax is required to be withheld under FIRPTA.

32. Headings; Pronouns: The headings of this Agreement are for convenience only and do not in any way limit or amplify the terms or provisions of this Agreement. All pronouns and variations thereof shall be deemed to refer to the masculine, feminine or neuter, and to the singular or plural, as the identity of the party or parties may require.

33. Calendar Days: All periods of time referred to in this Agreement shall include all Saturdays and Sundays and any holidays. In the event the day upon which any action is required to be taken under the terms of this Agreement is not a business day, the action shall be taken on the next succeeding business day.

34. Disclosures: Buyer acknowledges receipt of the Disclosure and Information Statement from Seller.

35. 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 regarding this matter, please call your local tax collector's office.

36. Brokers: Buyer represents and warrants that, except for any cooperative broker identified on an Addendum to this Agreement, Buyer has engaged no broker or finder in connection with this transaction, and agrees to defend and hold Seller harmless from claims by any broker or finder consistent with this representation and warranty. Buyer is aware that Seller's sales person is an agent of the Seller exclusively and acknowledges receipt of the disclosure regarding real estate agency relationships

37. Megan's Law: Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's

criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides.

38. Counterparts: This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

39. Default by Buyer: Any of the following actions or failures to act by Buyer under this Agreement, without limitation, constitutes a default of the Buyer:

- Failure to submit a complete loan package (if applicable) on a timely basis.
- Failure to make Optional Item selections on or before dates required.***[Delete if no optional section under paragraph 7]***
- Failure to comply with all requirements of lender, if any.
- Failure to make any deposit due under this Agreement on a timely basis.
- Any voluntary act of Buyer taken for the purpose of preventing lender from approving Buyer's loan.
- Failure of Buyer to safeguard Buyer's funds so that sufficient funds are available to make all deposits and to close Escrow.
- Any attempt by Buyer to assign its rights in violation of this Agreement, or to attempt to arrange a double escrow.
- Failure to close Escrow on time.

40. Termination: Seller may (but is not required to) terminate this Agreement within thirty (30) days of the occurrence of any of the following:

(a) Seller determines that Buyer's loan approval does not meet the requirements of this Agreement or was not obtained within the required time, or is conditional or non-binding.

(b) Seller is unable to obtain all necessary public and private approvals and permits to construct the Project on a timely basis.

(c) Seller is unable to obtain title to the land within ninety (90) days after the acceptance of this Agreement by Seller (if applicable).

(d) Default by Buyer as per paragraph 39, above.

Seller will notify Buyer in writing if Seller elects to terminate the Agreement, and, if so, will direct Escrow Holder to return all Deposits to Buyer without any deduction, except for such sums (if any) as may then be subject to a claim for liquidated damages under paragraph 14 (provided both parties have initialed paragraph 14).

41. SB 800 Notices:

(a) Notice of SB 800 Adoption: The California Legislature has enacted Title 7 of Division 2 of the Civil Code, commonly referred to as SB 800 (hereinafter "the Code"), which provides certain standards, requirements and procedures for claims of construction defects in new homes [first sold after January 1, 2003]. Under the Code the builder/ seller (hereinafter "Seller") shall elect whether it will adopt the standards and procedures of the Code or provide some alternative standards and procedures in compliance with the Code. Buyer acknowledges receipt of this notice that the Code provides procedures that impact the legal rights of homeowners, and that a copy of Title 7 of Division 2 has been delivered to and received by Buyer.

Initials: Buyer ____

(b) Notice to Buyer of Adoption of Standards and Procedures. Buyer is hereby notified that Seller has elected to adopt the standards and procedures set forth in the Code. Chapter 2 of the

Code provides certain standards regarding the functionality of the home ("Functionality Standards") and lengths of time for these standards during which the Buyer may pursue repair/ redress under the Code (Sections 896 and 897). Buyer is further notified that Seller has also elected to adopt the Pre-Litigation Procedures set forth in Chapter 4 of the Code. In the event of a claim by Buyer that falls within the parameters of the Code, Seller and Buyer mutually acknowledge and agree that Chapter 4 of the Code sets forth the process for maintaining a valid claim (Civ. Code §§ 910, et seq.).

Initials: Buyer ____

(c) Notice Regarding Subsequent Purchasers. By initialing below, Buyer further acknowledges that the Code is binding on Buyer's successors-in-interest pursuant to Civil Code Section 945. Therefore, Buyer acknowledges being obligated to provide the Code and a copy of all documents provided by Seller to Buyer to a subsequent purchaser of Buyer's unit. Buyer shall indemnify Seller from any adverse effects upon Seller due to Buyer's failure to provide a subsequent purchaser with copies of all documents provided by Seller to Buyer.

Initials: Buyer ____

(d) Receipt of Homeowners Handbook. By initialing below, Buyer acknowledges receipt of a sample Homeowners Handbook prepared by Seller, the final version of which shall be delivered at Close of Escrow. Buyer acknowledges that he/ she has an affirmative obligation under the Code to carefully follow the maintenance and inspection requirements in the Homeowners Handbook (Civil Code Section 907). Failure to follow the maintenance requirements may result in Buyer's inability to recover under the Code. (Civil Code 945.5).

SEE ADDENDUM

(e) Claim Notification. If Buyer makes a claim for violation of the Functionality Standards pursuant to the Code, the Notice of Claim shall be served upon Seller at the address as provided on page 1, above.

In the event Seller can no longer be contacted at the address set forth above, and has not provided an alternative address for notices, Buyer shall contact the California Secretary of State to locate Seller's agent for service of process. The Secretary of State can be contacted at: 1500 11th Street, Sacramento, California 95814, phone number 916-657-5448 or at www.ss.ca.gov.

Initials: Buyer ____

(f) Limited Warranty. Seller has provided a Limited Warranty in compliance with Section 900 for "fit and finish" items. See paragraph 17(b). Buyer agrees that any claims made for fit and finish items shall be made under the terms and conditions of the Limited Warranty. THE LIMITED WARRANTY PROVIDES FOR JUDICIAL REFERENCE OF ANY DISPUTE ARISING OUT OF THE LIMITED WARRANTY. Claims regarding such "fit and finish" items are not subject to the procedures set forth in Chapter 4 of the Code. Seller has not elected to provide an Enhanced Protection Agreement ("EPA") pursuant to Civil Code sections 901-906, and Buyer acknowledges that nothing in the Seller's Limited Warranty or Building Standards shall be deemed to constitute the offering of an EPA to Buyer.

Initials: Buyer ____

(g) Disclaimer of all other Warranties. No other warranties, whether express or implied, exist beyond those set forth in the Limited Warranty. By initialing below, Buyer acknowledges receipt of the Limited Warranty.

Initials: Buyer ____

(h) Customer Care Program and Homeowner/Association Maintenance: Buyer understands that Buyer is obligated to follow all reasonable maintenance obligations and schedules communicated in writing to the Buyer by Seller and by product manufacturers, as well as commonly accepted maintenance practices, as provided in Civil Code Section 907, and that failure of the Buyer to satisfy the obligations may result in invalidation of warranties and provide Seller with a defense to any claim of breach of warranty. BUYER AGREES TO FOLLOW THE MAINTENANCE REQUIREMENTS SET FORTH IN AND/ OR REFERRED TO IN THE COVENANTS, CONDITIONS & RESTRICTIONS, SELLER'S WARRANTY, AND IN THE HOMEOWNERS MANUAL AND MAINTENANCE GUIDE, AS SUPPLIED BY SELLER AT THE CLOSE OF ESCROW.

Buyer agrees to provide copies of the Limited Warranty and the Homeowners Manual and Maintenance Guide as furnished by Seller to any subsequent purchasers from Buyer, prior to the transfer of title.

Initials: Buyer ____

42. Anti-Terrorism Regulations: Buyer represents and warranties to Seller that: (1) Buyer is not on the prohibited parties list of the Office of Foreign Assets Control maintained pursuant to the Patriot Act and Executive Order 13224 and (2) Buyer's purchase of the Property is not designed, even in part, to conceal or disguise the "nature, the location, the source, the ownership, or the control" of proceeds of criminal activity in violation of the Money Laundering Control Act. Buyer acknowledges and agrees that Seller may be legally obligated to report any suspicious activity related to this Agreement to the Department of Treasury and/ or terminate this Agreement if Seller obtains information about Buyer that would result in a violation of the Patriot Act or Money Laundering Control Act.

43. ESTIMATES OF SQUARE FOOTAGE: THE SQUARE FOOTAGE AMOUNTS THAT ARE CONTAINED IN ANY DOCUMENTS RECEIVED BY BUYER ARE ESTIMATES ONLY. THEY WERE DERIVED FROM PLANS AND NOT ACTUAL MEASUREMENTS. THE ACTUAL MEASUREMENTS MAY DIFFER. VARYING METHODS OF MEASUREMENT MAY HAVE BEEN USED. NO BUYER SHOULD RELY ON ANY OF THESE ESTIMATES OF SQUARE FOOTAGE IN MAKING A DECISION TO BUY A CONDOMINIUM.

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

[SIGNATURE PAGE FOLLOWS]

THIS IS A LEGALLY BINDING CONTRACT. READ IT CAREFULLY BEFORE SIGNING.

OFFER TO PURCHASE BY BUYER:

Date: ___________ ___, 2026

BUYER:

____
CITY OF MENLO PARK, a California Municipal corporation

RECEIPT FOR DEPOSIT:

Date: ____________, 2026

____
FIDELITY NATIONAL TITLE COMPANY

ACCEPTANCE BY SELLER:

Date: ____________, 2026

FLORENCE LANE VENTURES, LLC,
a California limited liability company

By: ______________________
Surinder P. Goswamy, Manager

Initials:

Buyer _____ Seller _____

EXHIBIT "A"

DEPOSIT RECEIPT
CONSTRUCTION OR DESIGN DISPUTE RESOLUTION
JUDICIAL REFERENCE

Actions by the Buyer pertaining to or based upon a claim for defects in the design or construction of improvements within the Project against the Seller, or any architect, engineer or other consultant, or any contractor, subcontractor or materials supplier engaged by or on behalf of Seller for the design and/or construction of the Project, or any element thereof, or otherwise defined in Civil Code sections 896 or 897 as an Actionable Defect ("Claim"), shall be resolved and administered in accordance with Civil Code sections 895 through 945.5, and Civil Code section 6000, as such sections may be amended, revised or superseded, from time to time. If a Claim is subject to pre-litigation procedures in Civil Code sections 910 through 938, or any successor statutes, prior to filing any civil action, arbitration or action in judicial reference regarding such Claim, shall comply with the pre-litigation procedures of Civil Code sections 910 through 938. Notices of Claims shall specify all of the matters as set forth in Civil Code section 6150 and/or Civil Code sections 910 through 938, as applicable, and any successor statutes or laws.

If the Claim is not resolved by and pursuant to the prelitigation procedures of under Civil Code sections 910 through 938, subject to the provisions of Civil Code section 6000, then notwithstanding the provisions of California Code of Civil Procedure Section 1298.7, the Claim shall be resolved in accordance with the following provisions:

(1) The dispute shall be submitted to binding general judicial reference pursuant to California Code of Civil Procedure Sections 638 through 645.2, or any successor statutes thereto pertaining to proceedings under judicial reference ("Judicial Reference"). The parties shall cooperate in good faith to ensure that all necessary and appropriate parties are included in the Judicial Reference proceeding. Seller shall not be required to participate in the Judicial Reference proceeding unless it is satisfied that all necessary and appropriate parties will participate. The parties shall share the fees and costs of the Referee for the Judicial Reference proceeding as determined by the Referee.

(2) The Referee shall have the authority to try all issues, whether of fact or law, and to report a statement of decision to the court. The parties shall use the procedures adopted by Judicial Arbitration and Mediation Services ("JAMS") for judicial reference (or any other entity offering judicial reference dispute resolution procedures as may be mutually acceptable to the parties), provided that the following rules and procedures shall apply in all cases unless the parties agree otherwise:

(a) If the Seller is a party to the Judicial Reference, then any fee to initiate the Judicial Reference shall be paid by Seller, provided however, that the cost of the judicial reference shall ultimately be borne as determined by the Referee;

(b) The proceedings shall be heard in San Mateo County;

(c) The Referee must be a neutral and disinterested party who is a retired judge or a licensed attorney with at least ten (10) years' experience in relevant real estate matters;

(d) Any dispute regarding the selection of the Referee shall be resolved by JAMS or the entity providing the reference services, or, if no entity is involved, by the court with appropriate jurisdiction;

(e) The Referee may require one or more pre-hearing conferences;

(f) The parties shall be entitled to discovery, and the Referee shall oversee discovery and may enforce all discovery orders in the same manner as any trial court judge;

(g) A stenographic record of the Judicial Reference proceedings shall be made, provided that the record shall remain confidential except as may be necessary for post-hearing motions and any appeals;

(h) The Referee's statement of decision shall contain findings of fact and conclusions of law to the extent applicable;

(i) The Referee shall have the authority to rule on all post-hearing motions in the same manner as a trial judge;

(j) The Referee shall be authorized to provide all recognized remedies available in law or equity for any cause of action that is the basis of the Judicial Reference; and

(k) The statement of decision of the Referee upon all of the issues considered by the Referee shall be binding upon the parties, and upon filing of the statement of decision with the clerk of the court, or with the judge where there is no clerk, judgment may be entered thereon. The decision of the Referee shall be appealable as if rendered by the court.

(l) If submission of a disputed matter, referenced in paragraph (1) above, to Judicial Reference is not permitted under the then applicable law, then notwithstanding California Code of Civil Procedure Section 1298.7, if the dispute is not resolved through mediation, the Buyer and Seller shall resolve such dispute exclusively through binding arbitration conducted in accordance with the Judicial Arbitration and Mediation Services ("JAMS") pursuant to paragraph 15 of the Purchase Agreement.

(3) Judicial Reference shall only proceed for any matter that is subject to the requirements of California Civil Code sections 5925-5960 after the parties have attempted to reasonably comply with the alternative dispute resolution requirements set forth in California Civil Code sections 5925-5960, as same may be amended from time to time.

BY INITIALING THE SPACE BELOW, EACH PARTY WAIVES ANY AND ALL RIGHTS TO A TRIAL BY JURY FOR ALL CIVIL ACTIONS OR PROCEEDINGS INVOLVING A DISPUTE ARISING OUT OF OR RELATING TO THIS AGREEMENT.

WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS REFERRED TO IN THIS PROVISION TO JUDICIAL REFERENCE AS PROVIDED ABOVE.

BUYER ________ SELLER ________

ADDENDUM TO
RESIDENTIAL PURCHASE AGREEMENT
AND ESCROW INSTRUCTIONS

(Condominium Project)

FLORENCE LANE

This is an addendum ("Addendum") to the Residential Purchase Agreement and Escrow Instructions ("Purchase Agreement") entered into, by and between City of Menlo Park, a California municipal corporation ("Buyer"), and Florence Lane Ventures, LLC, seller ("Seller").

1. The terms of this Addendum are incorporated into the Agreement by reference. Seller's acceptance of the Agreement without concurrently signing this Addendum shall not constitute an acceptance. In the event of any conflict between the provisions of this Addendum and the Agreement, the Addendum shall control.

2. Paragraph 1 of the Agreement shall be revised as follows:

   "Deck designated 'D' on the Plan, followed by the number of the unit" shall be deleted and replaced with the following: "Deck designated 'D-8' on the Plan."
   The following shall be deleted: "Patio designated "P" on the Plan, followed by the number of the Unit."
   The following shall be deleted: "Yard designated "Y" on the Plan, followed by the number of the Unit."

3. The first two sentences of Paragraph 3 shall be deleted and replaced with the following language:

   "Buyer shall deliver the Initial Deposit to Escrow Holder within one (1) business day of Buyer's receipt of Escrow Holder's written notice to Buyer and Seller that Escrow Holder has received a fully signed copy of the Agreement from Seller indicating Seller's acceptance of this Agreement. Receipt by Escrow Holder of the fully signed Agreement from Seller shall be considered direction from Seller to Escrow Holder to open Escrow upon receipt of Buyer's check or wire in the amount of the Initial Deposit and once such funds have cleared and are available on an unrestricted basis."

4. Paragraph 4, subparagraph (b)(i) through (iv) are deleted.

5. The fifth and sixth sentences of Paragraph 5, subparagraph (a) are deleted and replaced with the following:

   "Notwithstanding the foregoing and as a condition precedent to Closing, the Residence and Property shall be delivered to Buyer at Closing strictly in accordance with the condition described in Section 4 of that certain Below Market Rate For-Sale Agreement, between Buyer and Seller, dated November 25, 2019, and paragraphs (b) and (c) of that certain Judgement, Case No. 23-CIV-05524 ("Judgement"), for the Superior Court of the State of California, County of San Mateo, entered on March __, 2026 (collectively, "BMR Closing Condition Work"). Seller shall diligently proceed with the BMR Closing Condition Work and cause the Property to be expeditiously placed in the condition required herein."

6. The bracketed text at the end of Paragraph 5, subparagraph (b) is deleted.

7. The following language shall be added at the end of Paragraph 5, subparagraph (d):

   "Buyer and Seller acknowledge and agree that a Certificate of Occupancy for the Property has been issued; provided that Seller acknowledges and agrees that it shall complete the BMR Closing Condition Work as a condition precedent to Closing"

8. Paragraph 5, subparagraph (e) is deleted.

9. Paragraph 7 is deleted.

10. The words “five (5) business days” in Paragraph 8, subparagraph (a) are deleted and replaced with “two (2) business days.”

11. The first three sentences of Paragraph 8, subparagraph (e) are deleted and replaced with the following:

    “Escrow shall close on or before the date that is sixty (60) days from Buyer’s execution of this Agreement, which date is ______, 2026 (‘Closing Date’). Notwithstanding the foregoing, Buyer may, in its sole and absolute discretion, extend the Closing Date for the period of time that Buyer elects if Buyer determines that Seller has not satisfactorily or fully completed the BMR Closing Condition Work. If Buyer elects to extend the Closing Date, as described above, Buyer shall deliver written notice thereof to Seller, which notice shall state the length of the Closing Date extension.”

12. The bracketed text beneath Paragraph 8, subparagraph (e) is hereby deleted.

13. A subparagraph (v) is added to Paragraph 8, subparagraph (e) as follows:

    “(v). Seller has executed and acknowledged a grant deed in the form of Exhibit “B” attached hereto and incorporated herein by reference and delivered it to Escrow Holder.””

14. A subparagraph (vi) is added to Paragraph 8, subparagraph (e) as follows:

    “(vi). Seller has satisfactorily completed, as reasonably determined by Buyer, all BMR Closing Condition Work.”

15. Paragraph 8, subparagraph (f) is hereby deleted.

16. The first sentence in Paragraph 9 is hereby deleted and replaced with the following:

    “Buyer shall receive a copy of the preliminary title report for the Property for review and approval within two (2) weeks of Seller’s acceptance of this Agreement.”

17. The following shall be inserted as a new paragraph after the bracketed text at the end of Paragraph 9:

    “Monetary liens and encumbrances are hereby disapproved by Buyer and must be removed prior to Close of Escrow. If Buyer disapproves of any other items on the preliminary title report, Seller shall have two (2) business days to deliver written notice to Buyer stating whether Seller elects to remove the same; provided, however, Seller’s failure to so notify Buyer shall be deemed to constitute Seller’s election to remove the same. If Seller elects not to remove the item by Close of Escrow, Buyer shall have the right to waive its disapproval of the item and proceed to closing or terminate this Agreement. If Buyer terminates this Agreement, Buyer and Seller shall be relieved of all further obligation and liability to each other under this Agreement, except for such as have accrued prior to the date of termination, and all the funds and documents deposited with Escrow Holder shall be promptly refunded or returned, as the case may be, by Escrow Holder to the depositing party.”

18. The first four (4) sentences of Paragraph 10(a) are deleted.

19. The fifth sentence of Paragraph 10(a) is replaced with the following:

"Under no circumstances may any work be performed by Buyer or Seller on the Property prior to Closing, except for the BMR Closing Condition Work that Seller is obligated to complete prior to and as a condition precedent to Closing."

20. The bracketed text at the end of Paragraph 10(b) is deleted.

21. The following documents are deleted from the list of documents in Paragraph 12:

- Statement from Association regarding any outstanding delinquent assessments and related charges levied by the Association against the Property to be purchased (if applicable).
- Seller's Disclosure and Information Statement.
- Escrow Holder's General Instructions.
- Natural Hazards Disclosure Statement.
- Seller's Limited Warranty.
- Seller's Homeowners Handbook.

The following paragraph is hereby inserted at the end of Paragraph 12: "The parties acknowledge and agree that the Statement from Association regarding any outstanding delinquent assessments and related charges levied by the Association against the Property to be purchased is not applicable and Seller is not obligated to provide it. Buyer has not received the Seller's Disclosure and Information Statement, Escrow Holder's General Instructions, Natural Hazards Disclosure Statement, Seller's Limited Warranty, or Seller's Homeowners Handbook, although Buyer has received a sample Seller's Limited Warranty. As a condition to Close of Escrow, Seller must provide the foregoing documents and a Seller's Limited Warranty with Buyer's name inserted prior to the Close of Escrow. Buyer agrees to provide copies of these documents to any subsequent purchasers from Buyer, prior to the transfer of title."

22. Paragraph 19 is deleted.

23. Paragraph 20 is deleted and replaced with the following:

"Unless otherwise agreed upon by Buyer and Seller, within two (2) business days of Buyer's receipt of written notice from Seller stating that Seller believes it has satisfactorily completed the BMR Closing Condition Work, Seller shall provide Buyer with twelve (12) business days to inspect the Property and conduct an orientation, and walk-through of the Property ("Inspection Period"), which shall include the right to conduct inspections, investigations, tests, surveys and other studies of the Property ('Buyer Investigations'). Buyer's approval of the condition of the Property, including, without limitation, Buyer's written confirmation that the BMR Closing Condition Work has been satisfactorily completed, shall be a condition precedent to the Close of Escrow. Buyer's Investigations may include, but shall not be limited to, a general home inspection of the Property, an inspection of the Property for lead-based paint and other lead-based paint hazards, an inspection of the Property and exclusive use common areas for wood destroying pests and organisms, and any other specific inspections of the physical condition of the land and improvements that comprise the Property. Prior to the expiration of the Investigation Period, Buyer shall provide Seller with written notice of (a) Buyer's acceptance of the condition of the Property, including written confirmation that the BMR Closing Condition Work has been satisfactorily completed, or (b) Buyer's termination of the Agreement, or (c) a list of all items or conditions related to the Property which Buyer reasonably determined need correction, including, to the extent practical, a description of the needed correction."

24. Paragraph 36 is deleted and replaced with the following:

"Buyer and Seller each represent and warrant that Buyer and Seller have each engaged no broker or finder in connection with this transaction, and each agrees to defend and hold Seller harmless the other from claims by any broker or finder consistent with this representation and warranty."

25. The first, second, third and fifth bullets in Paragraph 39 are deleted.

26. Subparagraphs (a), (b) and (c) of Paragraph 40 are deleted.

27. A new Paragraph 45 is inserted as follows:

"Seller's Default. In the event the sale of the Property as contemplated hereunder is not consummated due to Seller's default hereunder, Buyer shall be entitled, in addition to any other remedies it may have at law or equity, to enforce specific performance of Seller's obligation to convey the Property to Buyer in accordance with the terms of this Agreement and the Judgement. Buyer shall have the right to pursue any remedies it may have at law or equity, including specific performance, in the Superior Court of the County of San Mateo. In any such action brought by Buyer, the prevailing party shall be entitled to recover reasonable attorney fees and costs from the non-prevailing party."

28. A new Exhibit "B" is added to the Agreement, as shown in Exhibit "B" hereto. For the avoidance of doubt, Exhibit "A" is already a part of and attached to the Agreement.

IN WITNESS WHEREOF, the Parties have executed this Addendum as of the dates set forth below.

BUYER:
Dated: __________, 2026

CITY OF MENLO PARK, a California municipal corporation

By: ______________________________
Justin I.C. Murphy, City Manager

SELLER:
Date: ____________, 2026

FLORENCE LANE VENTURES, LLC,
a California limited liability company

By: ______________________________
Surinder P. Goswamy, Manager

EXHIBIT B
FORM OF GRANT DEED

Recording requested by:

CITY OF MENLO PARK

When recorded mail and
tax statements to:
City of Menlo Park
701 Laurel Street
Menlo Park, CA 94025

GRANT DEED

THE UNDERSIGNED GRANTOR DECLARES:
This transaction is exempt from documentary transfer tax pursuant to Revenue & Taxation Code Section §11922. City of Wildomar, an exempt agency, is acquiring title.

Exempt from the Building Homes and Jobs Act Fee per Government Code §27388.1(A)(2)(D). This document is being recorded by a municipality.

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

FLORENCE LANE VENTURES, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY hereby GRANTS to CITY OF MENLO PARK, a California municipal corporation, the following described real property in the City of Menlo Park, County of San Mateo, State of California:

SEE EXHIBIT "1" ATTACHED HERETO AND MADE A PART HEREOF

SUBJECT TO THE FLORENCE LANE ENABLING DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP RECORDED OCTOBER 5, 2020, SERIES NO. 2020-106317, AS AMENDED BY THE FIRST AMENDMENT TO FLORENCE LANE ENABLING DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP RECORDED AUGUST 10, 2023, SERIES NO. 2023-038500, AND ANY AMENDMENTS AND/OR ANNEXATIONS THERETO.

FLORENCE LANE VENTURES, LLC,
A California limited liability company

By:_______________________
Name: Surinder P. Goswamy
Its: Manager

Dated:_____________, 2026

EXHIBIT "1"

All that certain real property situated in the City of Menlo Park, County of San Mateo, State of California, described as follows:

PARCEL I: A condominium comprised of: A separate interest in Unit #8 as shown on the Condominium Plan (the "Plan") attached as Exhibit "A" to the Florence Lane Enabling Declaration Establishing a Plan for Condominium Ownership" (the "Declaration") recorded on October 5, 2020, Instrument No. 2020-106317, San Mateo County Official Records, as amended by the First Amendment to Florence Lane Enabling Declaration Establishing a Plan for Condominium Ownership recorded on August 10, 2023, Instrument No. 2023-038500, San Mateo County Official Records.

PARCEL II: An undivided 1/8th interest in the Common Area as described in the Plan and the Declaration, which condominium is located on the real property described on the Map entitled "975 Florence Lane" (the "Map") recorded on July 17, 2020, in Book 142 of Maps, pages 83-84 in San Mateo County Records.

PARCEL III: The exclusive right to use the following appurtenant "Exclusive Use Common Areas" set aside and allocated for the exclusive use of the owner of the condominium described as Parcel I above, as described in the Declaration **and** as shown on the Plan, as follows: Parking Space P-5 and Deck D-8.

EXCEPTING THEREFROM AND RESERVING EASEMENTS as defined in the Declaration.

FURTHER EXCEPTING THEREFROM all numbered condominium units shown on the Plan and described in the Declaration other than the unit conveyed as Parcel I above, and those portions of the "Exclusive Use Common Area" as defined in the Declaration and/or shown on the Plan which are set aside and allocated for the exclusive use of the owners of condominiums other than the condominium described herein as Parcel I.

This conveyance is made and accepted, and the real property is hereby granted, in accordance with and subject to the Declaration, and any amendments thereto, which document is, by this reference, incorporated herein and made a part hereof, as though fully set forth at length herein.

SUBJECT TO:

1. General and special real property taxes for the current fiscal year; and

2. Covenants, conditions, restrictions and easements, reservations, rights, declarations, and rights-of-way of record.

A notary public or other officer completing the certificate verifies only the identity of the individual who signed the document to which the certificate is attached and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA
COUNTY OF

On __________________, 2023, before me, ____, personally appeared ______________________________ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

(SEAL) ___________________________________