



**City of Campbell Successor Agency  
Oversight Board Agenda**

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**June 14, 2018**

**1:00 PM**

**City of Campbell Council Chambers  
70 N. First Street**

Call to Order – Roll Call

1. Approval of Minutes from the February 15, 2018 meeting.

Unfinished Business

None

New Business

2. Approve sale of remnant lot to Imwalle Properties, Inc. and related Purchase and Sale agreement

Oral Requests (Members of the Public)

Adjourn



# Oversight Board Report

Date: June 14, 2018

## **#1 Approve Minutes from the February 15, 2018 Oversight Board Meeting**

Action: Voice Call (All those in favor, All those opposed)

## **#2 Approve Sale of Remnant Lot to Imwalle Properties, Inc. and related Purchase and Sale Agreement.**

The Successor Agency (SA) conducted an open bid of the Civic Center remnant lot pursuant to Oversight Board (OB) Resolution 2018-2. In accordance with Resolution 2018-02, the bid period was open for sixty days, and four bids were submitted to the Successor Agency on June 1, 2018. The bid results were as follows:

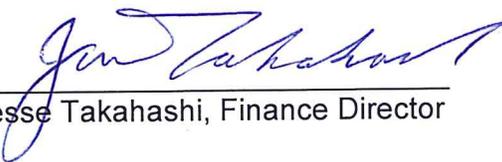
1. Imwalle Properties, Inc.	\$213,000
2. Bruce Bowen Family Trust	\$211,000
3. Ainsley Plaza LLC	\$201,500
4. City of Campbell	\$110,000

Based on the bid amounts listed, Imwalle Properties, Inc. was the highest bidder.

Under Resolution 2018-02, the SA is required to return to the OB within fifteen days of the bid closing date to obtain approval of the Purchase and Sale Agreement. Once approved by the OB, the property transfer process will be completed through the execution of a purchase and sale agreement and fulfilling the remaining escrow requirements.

A draft Purchase and Sale Agreement has been drafted by the SA legal counsel for the OB's review and approval (Attachment 3). Escrow will be opened upon the OB's approval of the sale and authorization to execute the Purchase and Sale Agreement, in substantially the form attached. Escrow will close within ten (10) business days from the date escrow is opened, or at such other date agreed to by the parties in writing but no event later than August 31, 2018.

Action: Adopt attached resolution approving the sale of the remnant lot to Imwalle Properties, Inc. and approving the execution of the attached Purchase and Sale Agreement. (Resolution/Roll Call Vote).

Prepared by:   
Jesse Takahashi, Finance Director

Attachments:

1. February 15, 2018 Minutes
2. Resolution 2018-3
3. Purchase and Sale Agreement

*CITY OF CAMPBELL OVERSIGHT BOARD*

*MINUTES*

*February 15, 2018  
CITY HALL COUNCIL CHAMBERS*

The Oversight Board meeting of February 15, 2018, was called to order at 2:00 p.m. in the Council Chambers, 70 North First Street, Campbell, California by Chair Maduli and the following proceedings were had, to wit:

**CALL TO ORDER - ROLL CALL**

Board Members Present

Ed Maduli, Chair  
Colleen Martin, Vice Chair  
Dan Furtado  
Jesse Takahashi  
Danielle Christian  
Tommy Nguyen

Guest(s) Present

Jenny Treis, Program  
Manager, County of Santa Clara

Staff Present

Shannon Brangan,  
Recording Secretary  
Brian Loventhal,  
Successor Agency Executive Director

Board Members Absent

Suzanne Carrig

**APPROVAL OF MINUTES**

**Motion:** Upon motion of Member Christian, seconded by Member Martin, the minutes of the Oversight Board meeting of January 30, 2018, were approved as submitted (6-0-1-0).

**AYES:** Furtado, Takahashi, Christian, Martin, Nguyen and Maduli

**NOES:** None

**ABSENT:** Suzanne Carrig

**ABSTAIN:** None

**UNFINISHED BUSINESS**

There was no unfinished business.

**NEW BUSINESS**

**Approve Resolution to Direct Disposal of Remnant Lot by Open Bid**

It was proposed by two Oversight Board members to sell the remnant parcel by an open bid process prior to the transition of the Campbell OB to the Countywide board. Member Takahashi has requested a longer period of time than 30 days to place the property on the open market, still giving time for the bids to be approved prior to the July 1, 2018 transition.

The Resolution 2018-02 was amended as requested and the Successor Agency would place the Property up for bid within forty-five (45) days of the effective date of today's proposed Resolution 2018-2.

Chair Maduli asked if there were any further questions. There were none.

Chair Maduli asked for a motion to approve the Resolution.

**Motion: Upon motion of Member Martin, seconded by Member Nguyen, the Oversight Board adopted Resolution #2018-2 approving the Resolution to Direct Disposal of Remnant Lot by Open Bid, as submitted (6-0-1-0):**

**AYES: Furtado, Takahashi, Christian, Martin, Nguyen and Maduli**  
**NOES: None**  
**ABSENT: Carrig**  
**ABSTAIN: None**

**ORAL REQUESTS**

None

**ADJOURNMENT**

Chair Maduli adjourned the Oversight Board meeting at 2:10 p.m. to the next meeting at a date yet to be determined prior to June 15, 2018.

Respectfully submitted,  
Shannon Brangan, Recording Secretary

**OVERSIGHT BOARD RESOLUTION NO. 2018-3**

**RESOLUTION OF THE CITY OF CAMPBELL SUCCESSOR AGENCY OVERSIGHT BOARD APPROVING THE SALE OF THE CIVIC CENTER DRIVE REMNANT LOT (APN 279-41-062) AS REQUIRED BY ITEM NO. 5 ON THE LONG RANGE PROPERTY MANAGEMENT PLAN**

**RECITALS**

**WHEREAS**, pursuant to Health and Safety Code section 34191.5, the Oversight Board for the City of Campbell Successor Agency (“Oversight Board”) and the California Department of Finance approved the Long Range Property Management Plan (“LRPMP”) effective January 24, 2014; and,

**WHEREAS**, pursuant to Health and Safety Code section 34181(a)(1), the Oversight Board shall direct the Successor Agency to the City of Campbell Redevelopment Agency (“Successor Agency”) to dispose of all assets expeditiously and at maximized value; and,

**WHEREAS**, pursuant to Health and Safety Code section 34179(c), an “oversight board may direct the staff of the successor agency to perform work in furtherance of the oversight board’s and the successor agency’s duties and responsibilities”; and,

**WHEREAS**, Item No. 5 on the LRPMP is listed as the Civic Center Drive Remnant Lot (APN 279-41-062) (the “Property”), is a vacant lot, and is approximately 3,500 square feet in size located at the intersection of Civic Center Drive and Harrison Avenue; and,

**WHEREAS**, the LRPMP requires the Property to be sold on the open market and the sales proceeds to be remitted to the County Auditor-Controller to be distributed to the affected taxing entities; and,

**WHEREAS**, the Property was placed on the open market in accordance with Oversight Board Resolution 2018-2; and,

**WHEREAS**, on June 1, 2018, four bids were received by the Successor Agency, and the highest bid was submitted by Imwalle Properties, Inc. in the amount of \$213,000.

**NOW, THEREFORE, BE IT RESOLVED** by the Oversight Board as follows:

1. The foregoing recitals are true and correct and are incorporated herein by reference, and, together with information provided by the Successor Agency staff and the public, form the basis for the approvals, findings, resolutions, and determinations set forth below.
2. The Oversight Board hereby approves the bid from Imwalle Properties, Inc. as the winning bid and, awards the sale of the property to said bidder.
3. The Oversight Board hereby approves the conveyance of the Property in the manner specified herein, and hereby authorizes and directs the Executive Director of the Successor

Agency (“Successor Agency's Director”), or the Successor Agency's Director's designees, to execute that certain Purchase and Sale Agreement, substantially in the form attached, and to take all actions and sign any and all documents necessary to implement and effectuate the actions approved by this Resolution as determined necessary by the Successor Agency's Director, or the Successor Agency's Director's designee. The Oversight Board hereby further authorizes the Oversight Board Chairperson, Successor Agency Executive Director and Successor Agency legal counsel to make any technical or clerical corrections to the documents effectuating the terms of this Resolution.

4. Oversight Board directs the Successor Agency to close escrow on the transaction pursuant to the terms of the Purchase and Sale Agreement and as soon as practicable but in no event later than August 31, 2018.
5. Pursuant to Section 34191.5 of the Health and Safety Code, specified actions taken by the Oversight Board to implement the disposition of property pursuant to an approved LRPMP shall not require review by the Department.
6. This Resolution shall take effect immediately in accordance with Section 34191.5(f) of the Health and Safety Code.

**ADOPTED** this June 14, 2018, by the Oversight Board for the City of Campbell Successor Agency by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

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Ed Maduli, Chair

**PURCHASE AND SALE AGREEMENT  
AND  
ESCROW INSTRUCTIONS**

This Agreement is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2018 by \_\_\_\_\_ ("Buyer") and the City of Campbell Successor Agency, a separate legal entity ("Seller"), who agree as follows:

1. Agreement. Seller agrees to sell, and Buyer shall have the right to purchase, upon and subject to all of the terms and conditions set forth in this Agreement, an approximately 3,500 square foot vacant and undeveloped property located at Civic Center Drive, in the City of Campbell, Santa Clara County, California, (APN 279-41-062) ("City Parcel"), which is more particularly described and illustrated on the **Exhibit "A"** attached hereto and incorporated herein by this reference.

2. Escrow. Upon execution of this Agreement by Buyer and Seller, the parties hereto shall cause an escrow to be established with Old Republic Title Company, ("Escrow Agent") at 555 12th Street, Suite 2000, Oakland CA 94607, to facilitate the transactions provided for in this Agreement. This Agreement constitutes escrow instructions to Escrow Agent. Buyer and Seller hereby agree to Escrow Agent's standard printed form escrow instructions that are attached to this Agreement as Exhibit "B;" provided, however, that in the event of a conflict between the terms and provisions contained in the body of this Agreement and the terms and provisions set forth in the printed escrow instructions attached as **Exhibit "B,"** the terms and provisions contained in the body of this Agreement shall govern and prevail.

3. Opening and Close of Escrow. Escrow Agent is authorized and instructed to insert as the date of this Agreement the date upon which a fully executed copy of this Agreement is deposited with Escrow Agent, which date shall constitute the date escrow is opened. Subject to the terms and conditions of this Agreement, the close of escrow shall occur within ten (10) business days from the date escrow is opened or at such other date agreed to by the parties in writing, but in no event later than August 31, 2018.

4. Purchase Price. The purchase price for the Property shall be \_\_\_\_\_. The purchase price shall be payable as follows:

(a) Not less than one business day prior to the close of escrow, Buyer will deposit into escrow, or cause to be deposited into escrow, all funds if due and/or documents, required from Buyer to enable escrow to close.

5. Title. The Buyer has received a copy of that certain Preliminary Title Report dated March 28, 2018, and hereby agree to take title to the Property subject to all exceptions and exclusions listed therein.

6. Conveyance and Title Insurance. Fee simple title to the Property shall be conveyed to Buyer upon close of escrow. Seller agrees to deposit with the Escrow Agent a Grant Deed conveying the Property to Buyer, together with such other instruments as are necessary to close escrow. Buyer shall pay the title insurance costs of issuing Buyer a coverage standard or extended coverage owner's policy of title insurance in the amount of the purchase price. Buyer's obligation to close escrow shall be conditioned on the unconditional commitment of Escrow Agent's title insurer to issue to Buyer an owner's policy of title insurance with respect to the Property in the amount of the purchase price, which policy shall show as exceptions no items other than those approved by Buyer pursuant to the preceding paragraph and shall be in the form, standard coverage or extended coverage as selected by Buyer, of the title insurance policy usually then issued by the title insurer. Buyer may designate the name and manner in which it shall take title to the Property by notice to Escrow Agent given at any time prior to the close of escrow.

7. Personal Property. Prior to the close of escrow, Seller shall remove from the Property all personal property located on the Property. However, if there is any personal property on the Property as of the date scheduled for the close of escrow, then if Buyer nevertheless elects to close escrow, then upon the close of escrow, such personal property shall be deemed abandoned by Seller and, at Buyer's election, shall be the property of Buyer. Seller shall bear no expense, for removal of any such personal property from the Property.

( ) Seller's Initials

( ) Buyer's Initials

8. Right to Possession and Use. Buyer's right of possession shall begin at close of escrow. The consideration shown in Section 4, includes, but is not limited to, full payment for the possession and use from that date, including interest and damages if any.

9. As-Is Condition. EXCEPT FOR THE EXPRESS REPRESENTATIONS AND WARRANTIES OF SELLER SET FORTH IN SECTION [REDACTED] HEREOF: BUYER IS ACQUIRING THE PROPERTY "AS IS," WITHOUT ANY COVENANT, REPRESENTATION OR WARRANTY OF ANY KIND OR NATURE WHATSOEVER, EXPRESS OR IMPLIED; AND BUYER IS RELYING SOLELY ON BUYER'S OWN INVESTIGATION OF THE PROPERTY.

10. Disclosure. Buyer and Seller acknowledge that Seller is required to disclose if the Property lies within the following natural hazard areas or zones: (a) a special flood hazard area designated by the Federal Emergency Management Agency (Cal. Gov. Code § 8589.3); (b) an area of potential flooding (Cal. Gov. Code § 8589.4); (c) a very high fire hazard severity zone (Cal. Gov. Code § 51183.5); (d) a wild land area that may contain substantial forest fire risks and hazards (Pub. Resources Code § 4136); (e) an earthquake fault zone (Pub. Resources Code § 2621.9); or (f) a seismic hazard zone (Pub. Resources Code § 2694). Buyer and Seller agree that the Escrow Agent shall examine the maps and other information specifically made available to the public by government agencies for the purpose of enabling Seller to fulfill its disclosure obligations prior to the close of escrow. Buyer acknowledges and agrees that the written report prepared by the Escrow Agent and delivered to Buyer regarding the results of its examination fully and completely discharges Seller from its disclosure obligations referred to herein, and, for the purpose of this Agreement, the provisions of Civil Code Section 1102.4 regarding the non-liability of Seller for errors or omissions not within its personal knowledge shall be deemed to apply and the Escrow Agent shall be deemed to be an expert, dealing with matters within the scope of its expertise with respect to the examination and written report regarding the natural hazards referred to above. In no event shall Seller have any responsibility for matters not actually known to Seller.

11. Representations and Warranties. Seller represents, warrants and covenants to Buyer that:

(a) Pending approval by the Oversight Board of the Campbell Successor Agency which is schedule to hear the approval of the Agreement on June 14, 2018, the Seller has the power and authority under the Campbell Successor Agency's Long Range Property Management Plan (the "LRPMP") to perform Seller's obligations under this Agreement, and this Agreement is binding upon and enforceable against Seller. Under the LRPMP, the Seller is authorized to sell the property, subject to Oversight Board approval. By letter dated January 24, 2014, the California Department of Finance approved the LRPMP. Seller has good and marketable fee title to the Property and, to the best of Seller's knowledge, such title is free and clear of unrecorded liens, claims, encumbrances and easements and of any encroachments on or from adjacent properties;

(b) Seller has not received any notice from any governmental or other agency of any violation of any laws, ordinances, rules or regulations with respect to the Property or any activities thereon, and Seller, without investigation, has no knowledge of any violations;

(c) As of the close of escrow, the Property shall be vacant, free from any leases, tenancies or other occupancy agreements;

(d) Seller is not a "foreign person" as defined in Section 1445 of the Internal Revenue Code of 1986, as amended, and the Income Tax Regulations thereunder;

(e) Seller has not dealt with any real estate broker or finder in connection with the sale of the Property to Buyer or this Agreement;

(f) To Seller's knowledge, there are no pending lawsuits, claims, actions proceedings pending, threatened or related to Seller's ownership of the Property or to the Property itself that would prevent Seller from transferring title to the Property to Buyer under the terms and conditions of this Agreement;

12. Further Instruments. Except as otherwise specified herein, the forms of all instruments required to close this transaction shall be those customarily used by Escrow Agent in similar transactions in the County in which the Property is located, and each party agrees promptly to execute such documents as may reasonably be

( ) Seller's Initials

( ) Buyer's Initials

requested by Escrow Agent or the other party and to perform such acts as may reasonably be necessary to carry out the purpose and intent of this Agreement.

13. Notices. All notices or other communications required or provided to be given by either party or Escrow Agent shall be in writing and shall be hand-delivered, delivered by courier, or sent via facsimile transmission or by United States first class (or registered or certified) mail, postage prepaid, and shall be effective when hand-delivered or delivered by courier or facsimile transmission, or when deposited in the mail as provided above and addressed, to the parties at their addresses as set forth below their respective signatures to this Agreement or to such other addresses as may be specified by either party or Escrow Agent by written notice to the other party and Escrow Agent. .

14. Nomination and Assignment. Buyer reserves the right to nominate as the Buyer hereunder, and to assign Buyer's rights and obligations under this Agreement to, (a) one or more other persons and/or entities, or (b) Buyer and one or more other persons and/or entities. Such nomination and assignment shall be effected on or before the close of escrow by Buyer giving written notice of such nomination and assignment to Escrow Agent.

15. Closing Costs and Prorations. Real property taxes on the Property shall be prorated by Escrow Agent as of the close of escrow on the basis of the most recent tax information available. All utility charges shall be current as of close of escrow and prorated as of the close of escrow. Buyer shall pay all assessments against the Property, including without limitation assessments for sewer facilities or services. Prorations for real property taxes shall be reflected by adjustments in the cash required of Buyer to close escrow. Buyer shall pay all recording fees, title insurance, documentary stamp taxes, or other real estate transaction costs, taxes or fees by whatever name known, including escrow fees or brokers commission, if any, and personal property sales taxes where applicable. Seller shall have no liability or responsibility for any costs, taxes, fees, or expenses.

16. Defaults. In the event of a breach of this Agreement, the non-breaching party shall be entitled to pursue any and all remedies available to it, without limitation, claims for damages attributable to the breach, and specific performance of this Agreement. .

17. Severability. Whenever possible, each provision of this Agreement shall be interpreted so as to be valid under applicable law, but if any provision of this Agreement is void or unenforceable, such provision shall be ineffective to the extent it is void or unenforceable, which shall not invalidate the remainder of such provision or the remaining provisions of this Agreement.

18. Non-Foreign Certificate. On or before close of escrow Seller shall deposit with Escrow Agent certificates in form reasonably satisfactory to Buyer that provide the information required by Section 1445 of the Internal Revenue Code of 1986, as amended, and by Sections 18805 and 26131 of the California Revenue and Taxation Code, for an exemption to the withholding of taxes under those Sections.

19. Attorneys' Fees. In the event of litigation involving this Agreement, the unsuccessful party shall pay to the prevailing party all costs of suit, including reasonable attorneys' fees.

20. Time of Essence. Time is of the essence of each and every provision of this Agreement.

21. Performance Dates. In the event that the time for performance of any obligation hereunder expires on a Saturday, Sunday or legal holiday, the time for performance shall be extended to the next day that is not a Saturday, Sunday or legal holiday. As used in this Agreement, "business day" means any day, other than a Saturday, Sunday or legal holiday, that Escrow Agent is open for business. When determining a date based on a number of months from a particular day, the date shall be on the same numbered day of applicable month, except that if there is no such numbered day in that month, then the date shall be the first day of the following month. For example, two months after November 30 is January 30; three months after November 30 is March 1; four months after November 30 is March 30.

22. Survival. All representations and warranties of Seller herein shall be true and correct as of the date of this Agreement and as of the close of escrow and shall survive the close of escrow. All obligations and liabilities of the parties under this Agreement shall survive the close of escrow and shall not merge into the deed conveying the Property.

( ) Seller's Initials

( ) Buyer's Initials

23. Integration. This Agreement contains the entire agreement of the parties hereto with respect to its subject matter and supersedes all prior arrangements and understandings between the parties, and no other agreement, statement, or promise made by either party which is not contained herein shall be binding or valid.

24. Disclosure. Seller understands principals and affiliates of Buyer are real estate brokers or salespersons licensed in the State of California.

25. Counterparts. This Agreement may be executed by the signing in counterparts of this instrument. The execution by Buyer and Seller by each signing a counterpart of this instrument shall constitute a valid execution, and this instrument and all of its counterparts so executed shall be deemed for all purposes to be a single agreement.

26. Headings. The headings of this Agreement are for convenience only and shall not affect the meaning or interpretation of any of the terms of this Agreement.

27. Representation by Counsel. Both Buyer and Seller have been or have had the opportunity to be represented by legal counsel in connection with this Agreement. This Agreement is the product of extensive negotiations and the fact that this Agreement was prepared by one of the parties or its legal counsel shall not affect the interpretation or application of this Agreement. The parties expressly waive the provisions of California Civil Code Section 1654 which require that the language of a contract be interpreted most strongly against the party who caused the uncertainty to exist.

28. Inurement. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. If the "Seller" consists of more than one person and/or entity, then all such persons and/or entities shall be jointly and severally liable under this Agreement and the acts and knowledge of any of such persons and/or entities shall be imputed to all of them.

29. Governing Law and Venue. The terms of this Agreement shall be governed by and construed in accordance with the laws of the State of California. The parties agree that the County of Santa Clara, California shall be the venue for any litigation, special proceeding, or other proceeding as between the parties that may be brought or arise out of, in connection with, or by reason of this Agreement.

30. Waivers. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver or a waiver of a subsequent breach of the same or any other provision of this Agreement.

*THE BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK  
SIGNATURE PAGE ATTACHED*

[Signatures appear on the following page]

( ) Seller's Initials

( ) Buyer's Initials

**BUYER:**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

**SELLER:**

CAMPBELL SUCCESSOR AGENCY

By: \_\_\_\_\_

Brian Loventhal  
Title: Executive Director

Address: 70 N 1st St, Campbell, CA 95008

Phone: (408) 866-2125 Fax: (408) 374-6889

**ACCEPTANCE BY ESCROW AGENT**

Escrow Agent hereby accepts the foregoing instructions this \_\_\_\_ day of \_\_\_\_\_ 2018.

\_\_\_\_\_ TITLE COMPANY

By \_\_\_\_\_

Its \_\_\_\_\_

( ) Seller's Initials

( ) Buyer's Initials

**EXHIBIT A**

ILLUSTRATION AND LEGAL DESCRIPTION OF THE PROPERTY

*see attached*

**EXHIBIT B**  
STANDARD PRINTED FORM ESCROW INSTRUCTIONS  
*see attached*

## GENERAL PROVISIONS

The following general provisions shall apply in this escrow:

**1. Deposit and Disbursement of Funds.** The parties acknowledge and agree that all funds received in this escrow shall be deposited in accordance with executed **Deposit Instructions/Authorizations** into an escrow account maintained by Escrow Holder in accordance with the following:

**A. Deposited Funds Generally Bear No Interest**

All funds received in this escrow will be deposited with other funds from other escrows in one or more non-interest bearing but federally insured escrow trusts accounts in Escrow Holder's name in a state or national bank or savings and loan association authorized to do business in the state ("depository institution") selected by Escrow Holder and may be transferred to any other such account or accounts. The parties further acknowledge that the maintenance of such escrow accounts with depository institutions may result in the receipt by Old Republic Title Company of various bank services, accommodations and/or other benefits from the depository institutions. Old Republic Title Company or its affiliates may elect to enter into other business arrangements or transactions with or obtain loans for investment or other purposes from such depository institutions. All such services, accommodations and other benefits shall accrue to Old Republic Title Company or its affiliates. Escrow Holder shall have no obligation to account to the parties for the value of such services, accommodations or other benefits.

**B. Option for Interest Bearing Account**

Funds deposited into escrow shall not earn interest unless the parties execute instructions specifically directing Old Republic Title Company to deposit such funds in an interest bearing account. Upon receipt of such fully executed instructions along with an executed Form W-9 from the Depositor, Old Republic Title Company will place Depositor's initial deposit and any subsequent deposits in an interest bearing account with a licensed state or national bank or savings and loan association that is FDIC insured in the name of Old Republic Title Company as Trustee for the Depositor under the escrow assigned to this transaction. Until such time as escrow is in a position to disburse or close escrow as provided herein, any accrued interest shall be credited to the account of the Depositor herein. Depositor acknowledges that there shall be a service charge to the Depositor for the establishment or servicing of said interest bearing account. In addition, the parties hereby acknowledge that deposit insurance by the Federal Deposit Insurance Corporation is subject to limitations.

All disbursements are made by Escrow Holder's check or wire transfer unless otherwise instructed in writing.

**2. Prorations and Adjustments.** The parties acknowledge all prorations and/or adjustments called for in this escrow are to be made on the basis of a thirty (30) day month unless otherwise instructed in writing. At closing, Escrow Holder may adjust estimated amounts and prorations and other items that may change based on the recording date. In all acts relating, but not limited to, fire/hazard insurance, rents and rental deposits, real property taxes, and interest, Escrow Holder shall presume that the information provided to Escrow Holder by the parties to this escrow, or their agent(s), is correct and that insurance premiums have been paid.

**3. Recordation of Documents.** The parties authorize Escrow Holder to cause the recordation of any documents delivered to escrow, which in the sole discretion Old Republic Title Company are necessary and proper for the issuance of a Policy or Policies of Title Insurance in connection with this escrow. Escrow Holder is further authorized to collect a Recording Service Fee and all funds required by the applicable governmental agency to record any such documents.

**4. Authorization to Furnish Copies.** The parties authorize Escrow Holder to furnish copies of these instructions and supplements thereto, notices of cancellation, and closing statements pertaining to this escrow to the real estate broker(s) and lender(s) named in this escrow.

**5. Delivery of Non-Recorded Documents.** The parties acknowledge that upon close of escrow, documents that are not required to be recorded may be delivered by Escrow Holder by depositing same in the United States Mail, or transmitting by email, addressed to the party entitled thereto, at the mailing address provided to Escrow Holder.

**6. Conflicting Instructions.** The parties acknowledge that upon receipt of any conflicting instructions (other than cancellation instructions), Escrow Holder is no longer obligated to take any further action in connection with this escrow until further consistent instructions are received from the parties. The parties authorize Escrow Holder to hold all monies and/or instruments in this escrow until otherwise directed, either by the parties' mutual written instructions or by final order of a court of competent jurisdiction. In the event of conflicting claims to any funds or other documents, Escrow Holder shall have the absolute right, at Escrow Holder's discretion, to file an action in interpleader requiring the parties to answer and litigate their several claims and rights amongst themselves. Any such action must comply with the requisite interpleader statutes of the State of California in this regard.

**7. Disclosure.** The parties acknowledge Escrow Holder shall have no duty to disclose to any party to this escrow any information, which may come to Escrow Holder's attention concerning this transaction unless specifically requested to do so by any party.

**8. Right of Cancellation.** This escrow shall be deemed canceled upon Escrow Holder's receipt of any party's instruction to cancel the escrow. Upon receipt of a party's instructions to cancel the escrow, Escrow Holder shall distribute Cancellation Instructions to the parties or to their agents regarding the disbursement of funds in the escrow. The parties acknowledge Escrow Holder then is no longer obligated to take any further action in connection with this escrow until receipt of mutual non-conflicting instructions from the parties. Upon receipt of mutual, non-conflicting instructions regarding the disbursement of funds in the escrow, Escrow Holder shall disburse the funds in accordance with the instructions, less fees and other costs incurred in connection with the escrow. In the absence of non-conflicting instructions regarding the disbursement of funds in the escrow, the parties authorize and instruct Escrow Holder to hold all earnest money funds in accordance with the terms of Paragraph 6 above. However, Escrow Holder may distribute all funds in excess of earnest money to the depositors of the funds or their assignees at Escrow Holder's sole discretion.

**9. Entire Agreement.** The parties acknowledge these General Provisions and the joint escrow instructions received and accepted by Escrow Holder (if applicable), shall be the whole and only agreement between the parties regarding the obligations of Escrow Holder to complete this escrow and shall supersede and cancel any prior instructions. Escrow Holder shall disregard and assume no responsibility for complying with any other agreement(s) between the parties, whether or not such agreement(s) have been made a part of this escrow. To the extent of any conflicts between these General Provisions (including joint escrow instructions, if applicable) and any other agreement(s) between the parties, these General Provisions (including joint escrow instructions, if applicable) shall control.

**10. Preliminary Report Approval.** The parties acknowledge that a copy of the preliminary report issued in conjunction with this escrow will be read and approved upon receipt and the parties will certify that there are no liens or encumbrances, other than those shown on said report that affect the property which is the subject of this escrow. Approval shall be assumed absent an objection to any item in the preliminary report and certification shall be assumed unless Escrow Holder is provided information sufficient to identify liens or encumbrances not shown on the preliminary report.

**11. Matters Excluded from Coverage under Title Insurance Policy.** The parties acknowledge Escrow Holder is not responsible or liable for determining that there has been compliance with any matters that are excluded from coverage under the title insurance policy to be issued in conjunction with close of this escrow including, but not limited to, county or municipal ordinances and state, county or municipal subdivision or land division regulations or laws. Reference is made to the policy form on file with the Insurance Commissioner of the State of California and available through the Title Company for the customer's review for a complete statement of such exclusions.

**12. Compliance with Federal and State Laws and Regulations, including Truth in Lending Act and Consumer Credit Protection Laws.** The parties acknowledge Escrow Holder is not responsible or liable for determining that a person or entity is subject to Federal and State laws and regulations or that the documents submitted to or deposited with Escrow Holder comply with Federal and State laws and regulations.

**13. Licensee Status.** The parties acknowledge Escrow Holder is not responsible or liable for determining that any person or entity receiving a commission or other compensation from escrow is currently and regularly

licensed, or for communicating the license status of any person or entity receiving a commission or other compensation from escrow to the parties herein.

**14. Unclaimed Funds.** The parties acknowledge that after three (3) years from the deposit of funds into escrow, any amounts thereafter remaining unclaimed may be escheated to the State of California in compliance with the State of California's Unclaimed Property Law and Regulations.

**15. Fees and Charges.** The parties agree to pay all charges, billings, advances and expenses, including cancellation fees, that are properly chargeable to the undersigned, and further to pay any balance for fees, costs or shortages due in connection with these instructions.

**16. Payments From Escrow.** The parties acknowledge Escrow Holder is acting as the disbursing agent of the parties to this escrow for all payments, such as, but not limited to, commissions, signing service providers, notary fees and termite inspections and/or reports, owed and authorized by the parties.

**17. Inspections.** The parties acknowledge Escrow Holder has no obligation to order or obtain any of the inspections or reports required by this transaction.

**18. Contingencies.** The parties acknowledge Escrow Holder has no obligation to monitor, schedule the timing of, or obtain any party's compliance with, any of the contingencies required by this transaction.

**19. Compliance with Lender Requirements.** The parties authorize Escrow Holder to take any action necessary to comply with these instructions and the instructions of any lender and to execute any and all documents that may be necessary or incidental to the carrying out of these instructions.

**20. Professional Advice.** The parties acknowledge they have the right to seek professional advice, at the parties' sole expense, before signing this or any other documents involved with this escrow transaction.

