

**Council Meeting: July 20, 2010****SUBJECT: Purchase of 715 San Conrado Terrace #6****BACKGROUND**

City Council is being asked to approve the acquisition of a 2 bedroom, 2 bathroom 996 square foot condominium unit located at 715 San Conrado Terrace #6 which is presently owned by David Lewis, Director of Community Services. Director Lewis purchased the property in 2005 with a loan from the City of Sunnyvale as part of his employment package.

The City made a loan to Director David Lewis in the amount of Four Hundred Fourteen Thousand and no/100 Dollars (\$414,000.00) ("Loan"), pursuant to a certain Housing Assistance Loan Agreement dated July 29, 2005, between the City and Mr. Lewis ("Loan Agreement"). Mr. Lewis made a down payment of \$48,800.00.

As of July 1, 2010, the total outstanding principal balance of the Loan is \$389,167.28. An independent City appraisal report values the property at \$350,000.00, with a loan over value balance of \$39,167.28.

Mr. Lewis will retire from the City of Sunnyvale effective February 5, 2011, and will leave employment of the City effective August 16, 2010 ("Final Work Date"). Under the terms of the Loan Agreement, if Mr. Lewis terminates his employment with the City, the loan is payable in full within six (6) months from the date of termination. Mr. Lewis has requested that the City enter into an agreement whereby he will execute a Deed In Lieu of Foreclosure and in exchange, the City will become the owner of the property. If escrow closes prior to Mr. Lewis's Final Work Date, then he will rent back the property from the City at fair market rental value.

EXISTING POLICY**Fiscal Subelement Land Policy**

D.1.4 The purchase, sale or lease of real property where the purchase or sale price or lease cost is more than \$75,000, per the Sunnyvale Municipal Code, shall be approved by the City Council.

DISCUSSION

Mr. Lewis has met all commitments to the City under the terms of the Loan Agreement and Promissory Note. However, the unprecedented economic downturn and depressed real estate market means that should Mr. Lewis be able to sell the property within six (6) months of his termination date, the sale proceeds would be less than the balance owed on the property's Loan based on an independent appraisal. Because the Loan is a purchase money loan for a residence, State law protects a borrower from liability for payment of the balance if the property sells for less than the outstanding loan balance. Therefore, the parties have agreed that Mr. Lewis will convey the Property to the City as set forth in this Agreement (Attachment A).

Director Lewis will rent back the unit until August 20th at which time the unit will be rented on the open market until the market value increases in value to an amount equal to or greater than the remaining principal balance of almost \$390,000 owed on the director loan. This will prevent or minimize any financial loss to the City as a result of the decline in real estate prices.

Staff would return to Council for approval of selling the property at such point in the future when the property could be sold without loss.

FISCAL IMPACT

The City will incur expenses associated with the transfer of property in the amount of \$433.50. These funds will be covered within the Public Works Administration Program, Property Management service delivery plan. The property will be leased out until such point in time when the market value equals or exceeds the remaining balance on the loan. The monthly rent received during this interim time period will exceed the previous monthly loan payment to the City by approximately \$3,600 per year.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, in the Council Chambers lobby, in the Office of the City Clerk, at the Library, Senior Center, Community Center, and Department of Public Safety; posting the agenda and report on the City's Web site; and making the report available at the Library and the Office of the City Clerk.

ALTERNATIVES

1. Approve the purchase of 715 San Conrado Terrace #6, and authorize the City Manager to accept the Deed in lieu of Foreclosure.
2. Do not approve the purchase

RECOMMENDATION

Staff recommends approval of Alternative No. 1: approve the purchase of 715 San Conrado Terrace #6, and authorize the City Manager to accept the Deed in lieu of Foreclosure.

Staff recommends this alternative in order to minimize the loss on investment of the property.

Reviewed by:

Marvin A. Rose, Director, Public Works Department
Prepared by: Michael Chan, City Property Administrator

Approved by:

Gary M. Luebbers
City Manager

Attachments

A. Deed in Lieu of Foreclosure Agreement Between the City of Sunnyvale and David A. Lewis, Director of Community Services

ATTACHMENT A

**DEED IN LIEU OF FORECLOSURE AGREEMENT
BETWEEN CITY OF SUNNYVALE AND
DAVID A. LEWIS, DIRECTOR OF COMMUNITY SERVICES**

THIS DEED IN LIEU OF FORECLOSURE AGREEMENT ("Agreement") is made as of July ____, 2010 (this "Agreement"), by and between the CITY OF SUNNYVALE, a municipal corporation ("Lender"), and DAVID A. LEWIS, an individual who is employed by the City as Director of Community Services, formerly known as the Parks and Recreation Department ("Borrower").

WITNESSETH:

A. Borrower owns fee simple title to the real estate and the improvements thereon commonly known as his principal address located at 715 San Conrado Terrace #6, Sunnyvale, California, and as legally described on Exhibit A attached hereto ("Property").

B. Lender made a loan to Borrower in the amount of Four Hundred Fourteen Thousand and no/100 Dollars (\$414,000.00) ("Loan"), which Loan was made pursuant to a certain Housing Assistance Loan Agreement dated July 29, 2005, between Lender and Borrower ("Loan Agreement"). The Loan is evidenced by a certain Promissory Note dated July 29, 2005, made by Borrower, as maker, in favor of Lender, as payee, in the face principal amount of Four Hundred Fourteen Thousand and no/100 Dollars (\$414,000.00), plus interest at the rate of 2.622% a year amortized over 45 years ("Promissory Note"). Borrower made a down payment of \$48,800.00, which Borrower understands will not be recoverable or recouped.

C. As of May 6, 2010, the total outstanding principal balance of the Loan is \$390,076.97. An appraisal report values the property at \$350,000.00, with a loan over value balance of \$40,076.97 attached hereto as Exhibit B.

D. Borrower has submitted his resignation to terminate his employment with the City of Sunnyvale effective February 5, 2011, and have a final work date of August 16, 2010 ("Final Work Date"), using accrued time for the interim. Under the terms of the Loan Agreement, if Borrower terminates his employment with the City, for any reason other than death, the loan shall be payable in full within six (6) months from the date of termination. Borrower has requested that the City enter into an agreement whereby Borrower will execute a Deed In Lieu of Foreclosure and in exchange, the City will become the owner of the property. If escrow closes prior to Borrower's Final Work Date, then Borrower will rent back the property from the City at fair market rental value.

E. Borrower has met his commitments to Lender under the terms of the Loan Agreement and Promissory Note. However, an unprecedented economic downturn and drop in the Dow stock market average since 2008 has caused home values to fall in every market across the United States leaving a record number of homes sitting vacant, unable to be sold. This economic decline and depressed real estate market is on-going and is anticipated to continue for several years.

F. Due to the current state of the economy and real estate market, the parties acknowledge that the fair market value of the Property does not exceed the total outstanding unpaid principal and interest owing under the Loan Agreement and Promissory Note; and should

Borrower be able to sell the property within six (6) months of his termination date, the sale proceeds would fall short of the balance owed on the property's Loan.

G. In order to avoid the necessity of litigation, foreclosure, short sale, and other delays associated therewith, the parties have agreed that Borrower will convey the Property to Lender as set forth in this Agreement.

NOW, THEREFORE, for and in consideration of the foregoing premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower and Lender do hereby agree as follows:

AGREEMENT

ARTICLE I

Incorporation/Property Transferred in Lieu of Foreclosure

1.01 Incorporation. The recitals to this Agreement are fully incorporated herein by this reference thereto with the same force and effect as though restated herein.

1.02 Transfer of Property. Subject to the terms, provisions, conditions, covenants, and agreements herein contained, and subject to matters set forth on Exhibit C ("Preliminary Title Report") attached hereto, Borrower agrees to sell, grant, transfer, assign, and convey to Lender and Lender agrees to acquire from Borrower, absolutely and free of any right of redemption or other right or interest of Borrower or anyone claiming by, through, or under Borrower, the following real and personal property (collectively, the "Property"):

A. Good valid, indefeasible, and marketable fee simple title to the land ("Land") legally described on Exhibit A attached hereto, all buildings, fixtures, and other improvements situated on the land (all said buildings and other improvements hereinafter called the "Improvements"), all of Borrower's right, title, and interest in and to and all easements, rights, tenements, and appurtenances thereunto belonging or appertaining to the Land and Improvements, and all of Borrower's right, title, and interest in and to any and all streets, alleys, or publicways adjacent thereto, before or after vacation thereof ("Real Estate");

B. All of Borrower's right, title, and interest as lessor or lessee in all leases, licenses, and other agreements to occupy all or any part of the Real Estate together with all rents and other sums due, accrued or become due under each such lease, license, and agreement, all rents that are received and allocable to periods following the "Closing Date" (as hereinafter defined) and all guarantees by third parties of the tenants' obligations under said leases, and all lease security and other deposits, if any (together, the "Leases");

C. All right, title, and interest of Borrower in and to all plans and specifications relating to Improvements (the "Plans and Specifications") and all unexpired claims, warranties, and guarantees, if any, received in connection with the construction or equipping of the Real Estate, if and to the extent assignable (all warranties and guarantees pursuant to which any affiliate of Borrower or its partners is an obligor, and all claims against any affiliate of Borrower or its partners concerning the design and construction of the Real Property shall be deemed assignable, and Borrower shall cause the applicable obligors to consent to such assignments) ("Warranties");

D. Borrower shall provide an executed Consent of Spouse in the form shown in Exhibit D.

ARTICLE II Consideration

2.01 Covenant Not to Sue. In consideration for the transfer by Borrower of the Property to Lender, and subject to the terms, provisions, and conditions herein contained, at the "Closing" (as hereinafter defined), Lender shall deliver a covenant not to sue Borrower, which shall be in the form of Exhibit E attached hereto.

ARTICLE III Title

3.01 Owners Title Policy. As a condition to Lender's obligation to close, Lender must, at Closing, obtain from First American Title Co. ("Title Company") an CLTA Form _____ Owner's Title Insurance Policy or equivalent acceptable to Lender ("Title Policy"), dated as of the Closing Date naming Buyer, City of of Sunnyvale, a municipal corporation.

3.02 Loan Title Policy. As an additional condition to Lender's obligation to close, Lender shall receive, at Closing, the following endorsement to CLTA Loan Policy (_____ Form) issued by Title Company as Policy No. _____ ("Loan Policy"), which endorsements shall be dated as of the Closing Date:

A. A date-down endorsement showing fee simple title in Lender, insuring the Mortgage as a first priority encumbrance on the Real Property, subject only to the Permitted Exceptions; and

B. At Lender's option, a non-merger endorsement acceptable to Lender (collectively, the "Loan Policy Endorsements"). Such Loan Policy Endorsements must also be approved by all reinsurers of the Loan Policy.

3.03 Borrower Cooperation. Borrower shall cooperate with Lender to Permit Lender to obtain the Title Policy and the Loan Policy Endorsements.

ARTICLE IV. Closing

4.01 Closing. Provided all terms, provisions, and conditions contained in this Agreement to be satisfied on or before Closing have been timely satisfied so as to provide for the closing of the transaction contemplated hereby, including without limitation, the vesting in Lender of good, valid, indefeasible, and marketable fee simple title to the Real Property, subject only to the Permitted Exceptions, closing of the transaction contemplated hereby ("Closing"), shall take place at the office of First American Title Company, located at 20545 Valley Green Drive, Cupertino, CA, through an escrow with the Title Company, or on such other date or such other place as may be mutually agreed upon in writing by Borrower and Lender. The agreement ("Escrow Agreement") for such escrow shall be in the form of Exhibit F attached hereto. Each party shall have the right to inspect all documents prior to, at the time of, and after their deposit in escrow. To accommodate Closing, the parties will enter into the Escrow Agreement with Title Company concurrently with their execution and delivery of this Agreement. This Agreement

shall not be merged into the Escrow Agreement, but the Escrow Agreement shall be deemed auxiliary to this Agreement, and as between the parties hereto, upon failure of the escrow or otherwise, the provisions of this Agreement shall be controlling.

4.02 Closing Deliveries. The following deliveries and/or actions shall constitute the Closing and, as described above, and, to the extent provided in the Escrow Agreement, shall be effected through the Escrow Agreement and, if not specified in the Escrow Agreement to be deposited in, and delivered under, the Escrow Agreement, shall be delivered at the Closing. Such deliveries, showings, and actions shall be deemed to be taken simultaneously and no one of which shall be deemed completed until all of such deliveries, showings, and actions have been completed.

A. Title Documents. The following title, transfer, and original documentation and other matters shall be duly authorized, properly executed, acknowledged (if applicable) and/or delivered:

- (1) The Title Policy. The Title Policy (or a "marked-up" title commitment to issue the Title Policy) together with executed reinsurance agreements containing direct access provisions with all reinsurers shall be delivered to Lender.
- (2) Endorsements to the Loan Policy. The Loan Policy Endorsements (or a "marked-up" commitment to issue the Loan Policy Endorsements) shall be delivered to Lender.
- (3) CLTA Statement [Owner's Affidavit]. Borrower shall deliver to Lender and Title Company its duly executed [California Land Title Association Loan and Extended Coverage Statement] [Owner's Affidavit].
- (4) GAP Affidavit. Borrower shall execute and deliver to Title Company, a GAP Undertaking and Affidavit satisfactory to Title Company so as to permit issuance of the Title Policy and Loan Policy Endorsements on the Closing Date.
- (5) Intentionally left blank.
- (6) Search Certificate. Borrower shall deliver to Lender, a statement of Borrower in the form of Exhibit G attached hereto to the effect that Borrower has not executed any financing statements other than the financing statements constituting a part of the Loan Documents.

B. Transfer Documents. The following Property transfer documentation shall be duly authorized, properly executed, acknowledged (if applicable), and delivered to Lender:

- (1) Deed. Borrower's duly executed, acknowledged, and stamped recordable deed in form and substance as set forth on Exhibit H attached hereto.
- (2) Assignment of Leases, Rents, and Security Deposits. Borrower's duly executed Assignment and Acceptance of Leases, and Security Deposits in the form of Exhibit I attached hereto. Lender will execute and deliver (or

cause Buyer to execute and deliver) to Borrower an acceptance of such assignment in the form of the Acceptance attached as part of the exhibit referred to in the preceding sentence.

- (3) Intentionally left blank.
- (4) Non-Foreign Status Certificate Statement. Borrower's duly executed Non-Foreign Status Certificate in the form of Exhibit J attached hereto.
- (5) Intentionally left blank.
- (6) Intentionally left blank.
- (7) Intentionally left blank.
- (8) Intentionally left blank.
- (9) Transfer Declarations. Borrower's completed and executed state, county, and municipal transfer or exemption declarations. If the declarations have been properly completed, Lender or Buyer shall execute such declarations if legally required.
- (10) Deed In Lieu Certificate. Borrower's Deed in Lieu of Foreclosure Certificate dated the Closing Date in the form of Exhibit K attached hereto.
- (11) Lease Agreement: Borrower intends to lease back the property pursuant to a Lease Agreement, attached hereto as Exhibit L.
- (12) Certificate(s) of Title. Certificate(s) of title endorsed to Lender, or, at Lender's option, Buyer, transferring to Buyer all Personal Property registered on any so-called certificates of title.

C. Original Documents. The following documentation shall be delivered:

- (1) Leases/Contracts. Borrower shall deliver the original Leases and Contracts to Lender.
- (2) Licenses and Permits. Borrower shall deliver the original Licenses and Permits to Lender.
- (3) Warranties. Borrower shall deliver the original Warranties to Lender.
- (4) Plans and Specifications. Borrower shall deliver to Lender, if available, the original Plans and Specifications.
- (5) Management Documents. Borrower shall deliver (or cause the managing agent to deliver) to Lender (or Buyer), copies of all books, records, bills, invoices, lease files, credit reports, and other documents related to the ownership, operation, management, use, maintenance, or leasing of the Property (the "Management Documents"), or, with Lender's permission

only, for any such items not physically delivered to Lender on the Closing Date, a letter from Borrower to Lender stating where such item is located, and a letter from Borrower and its managing agent addressed to the keeper of such records, directing such keeper to release all such Management Documents to Lender or to Lender's designee.

- D. Borrower Documents. Borrower shall deliver to Lender any documents requested by Lender:
- E. Other Deliveries. The following deliveries, showings, and occurrences shall have been delivered or shall have occurred:
- (1) Security and Other Deposits. Borrower shall deliver (with such assignments as Lender shall require) to Lender or, at Lender's option, Buyer, all cash and non-cash security and other deposits and interest, if any, required by law or agreement to be paid thereon.
 - (2) Possession. Borrower shall deliver possession of the Real Property and the other Property to Lender, subject to the rights of existing tenants and the Permitted Exceptions.
 - (3) Keys to Premises. Borrower shall deliver to Lender or Lender's designee, a key code inventory, garage door opener and all keys to the Real Estate or, with Lender's permission, a letter executed by Borrower and the Borrower's managing agents addressed to the person(s) or entities possessing the keys directing such persons or entities to deliver the keys to Lender or Lender's designated representative.
 - (4) Tax Assessor Release. Borrower shall deliver to Lender, evidence satisfactory to Lender that the transfer of the Property to Lender or Buyer does not subject Lender to due, but unpaid, property tax liability as shown on the preliminary title report.
 - (5) Payments to Lender. Borrower shall pay to Lender an amount equal to \$_0 plus any prepaid rents allocable to the period following Closing.
 - (6) Miscellaneous Waivers. Borrower shall deliver to Lender, a Consent of Spouse in the form attached as Exhibit D, and lien releases, including any equity lines of credit, or any other person who, pursuant to applicable law or agreement, may have a right to a mechanics lien on the Property or any portion thereof on account of work or services performed or provided to, or for the benefit of, the Property. Borrower shall deliver to the issuers of the Title Policy and Loan Policy Endorsements such documentation and funds as such issuers may require to insure against any of such claims on the Title Policy and Loan Policy (as modified by the Loan Policy Endorsements); in any event, Borrower shall notwithstanding non-delivery of any such releases or waivers, induce the issuer of the Loan Policy Endorsements and the Title Policy to waive any exceptions with respect to any of such claims.
 - (7) Intentionally left blank.

- (9) Covenant Not to Sue Borrower. Lender shall deliver the Covenant Not to Sue to Borrower, in the form of Exhibit E attached hereto; and General Release in form of Exhibit M.
- (10) Additional Consents. Borrower shall deliver to Lender, any and all consents from persons whose consent is required by Borrower for the closing of this transaction.
- (11) Settlement Statement. Beneficiary and Lender shall jointly execute and deliver a settlement statement to each other.
- (12) Payments: Borrower shall pay to Escrow holder any sums required to be paid allocable to Borrower to close this transaction.

4.03 Approvals and Monetary Deposits. All items to be delivered to pursuant to the provisions of Paragraphs 4.01 and 4.02 shall be subject to the approval of the parties. All deliveries and deposits of funds described in Paragraph 4.02 shall be in good immediately available funds.

4.04 Expenses of Closing. Except as set forth List of Expenses shown on Exhibit N, each party shall pay its own expenses in connection with the Closing.

ARTICLE V Covenants

5.01 Cooperation. Commencing on the date of this Agreement, Borrower will reasonably cooperate, upon Lender's request, with Lender and Buyer, including, without limitation, any management company designated by Lender to facilitate an orderly transfer of the ownership and management of the Property.

5.02 Audit. Commencing on the date of this Agreement, Borrower will permit Lender and/or Lender's designated representatives to audit and review Borrower's books and records.

ARTICLE VI Representations and Warranties

6.01 Representations and Warranties of Lender. Lender represents and warrants to Borrower as follows:

A. Lender is an organized and existing municipal corporation and chartered city in good standing under the laws of the State of California and is authorized to do business in the State of California.

B. Lender has the right, power, and authority to execute this Agreement and to perform its obligations under this Agreement. The execution and delivery of this Agreement by Lender and the performance by Lender under this Agreement has been authorized by all necessary corporate action of Lender.

6.02 Representations and Warranties of Borrower. Borrower represents and warrants to Lender as follows:

A. Organization and Authority. Borrower is an individual. Borrower have the capacity, right, power, and authority to execute this Agreement and to perform their respective obligations hereunder and to consummate the transaction described herein contemplated by this Agreement including the execution and delivery of all documentation required by this Agreement. The execution, delivery, and performance of this Agreement by Borrower does not breach, conflict with, or contravene: (i) any agreement, instrument, document, or indenture to which Borrower is a party or by which Borrower or the Property is bound; (ii) any applicable law; (iii) any judgment, writ, or order directed to Borrower or by which Borrower may be bound; or (iv) consent of spouse.

B. Bankruptcy. Borrower has not filed a petition in any case, action, or proceeding under the Bankruptcy Code, or any similar state law; no petition in any case, action, or proceeding under the Bankruptcy Code or any similar state law has been filed against Borrower that has not been dismissed or vacated; and Borrower has not filed an answer or otherwise admitted in writing insolvency or inability to pay their debts or made an assignment for the benefit of creditors or consented to an appointment of a receiver or trustee of all or a material part of their property. The transaction contemplated herein is not a preference, voidable transfer, fraudulent conveyance, or otherwise in violation of the Bankruptcy Code or any other similar state or federal law.

C. Absence of Litigation. Borrower has not received any written notice of any, nor is there any, pending or, to the best of Borrower's knowledge any threatened, litigation or administrative proceeding involving in any manner the Real Property or the ownership, leasing, operation, management, use, or maintenance thereof or this transaction.

D. Arm's-Length Transaction. Borrower has requested conveyance of title to the Property in lieu of the exercise of Lender's remedies pursuant to the Loan Documents and throughout the negotiation, preparation, and execution of this Agreement has been, and will through the Closing be represented by competent legal counsel of his own choosing. This Agreement was entered into out of the free will of Borrower and pursuant to arm's-length negotiations and Borrower believes this Agreement is fair. Lender has not taken advantage of Borrower by threats, intimidation, overreaching, unconscionable conduct, or otherwise; and Borrower is proceeding in this transaction voluntarily in what he perceives to be his own best interest.

E. Right to Counsel and Tax Advisor. Lender has advised Borrower that he has the right to retain an attorney of his own choosing at his cost to represent him in this transaction; and that Lender and Lender's attorneys, including the members of the Office of the City Attorney, do not represent him. Lender has advised Borrower that he has the right to retain a tax advisor of his own choosing at his cost to represent him in this transaction; and that Lender and Lender's attorneys, do not represent him nor provide personal tax advice on the consequences of this Agreement or the conveyance of the Property under the terms of the Agreement. Lender has advised Borrower he has the right to retain a tax advisor of his own choosing and that Lender has provided no tax advice on the consequences of this Agreement and conveyance of the Property.

6.03 Intentionally left blank.

6.04 Indemnity. Borrower agrees to defend, indemnify, and hold Lender and its respective successors, assigns, members, officers, and representatives (collectively, the "Lender-Connected Parties") harmless from and against any losses, damages, costs (including, without limitation, attorneys' fees, court costs, and costs of appeal), expenses, judgments, liens, decrees, fines, penalties, liabilities, claims, actions, suits, and causes of action arising, directly or indirectly, from (a) any breach by Borrower of warranty or representation contained in this Agreement or in the documents executed and delivered by Borrower pursuant to this Agreement (with this Agreement, sometimes collectively referred to as the "Borrower Documents"); (b) any breach, default, or violation by Borrower of any covenant, agreement, or provision of the Borrower Documents; and (c) any claims or liabilities pertaining to the Property arising prior to the Closing [other than claims or liabilities arising under the Loan Documents.

ARTICLE VII

No Obligation of Lender to Third Parties

7.01 No Third-Party Beneficiary. Borrower acknowledges and agrees that the transfer to Lender or Buyer of title to the Real Property pursuant to the terms of this Agreement shall not create any obligations on the part of Lender to third parties that have claims of any kind whatsoever against Borrower with respect to the Property, and Lender does not assume or agree to discharge any liabilities pertaining to the Property except as otherwise expressly provided in this Agreement.

ARTICLE VIII

Absolute Conveyance

8.01 Conveyance. The conveyance of the Property to Lender or Buyer according to the terms of this Agreement is an absolute conveyance of all of its right, title, and interest in and to the Property in fact as well as form and was not and is not now intended as a mortgage, trust conveyance, deed of trust, or security instrument of any kind, and that the consideration for such conveyance is exactly as recited herein and Borrower has no further interest (including rights of redemption) or claims in and to the Property or to the rents, proceeds, and profits that may be derived thereof, of any kind whatsoever.

ARTICLE IX

Notices

9.0 Notices. All notices required by this Agreement shall be in writing, legible, and shall be personally delivered, sent by first class mail with postage prepaid, or by commercial courier, addressed as follows:

To Borrower:

David Lewis & Marsha H. Lewis
715 San Conrado Terrace #6
Sunnyvale, CA 94085

with a copy to:

David and Marsha Lewis
35173 Willette Ln.
Astoria, OR 97103
Dlewis9392@charter.net
(408) 420-0495

To Lender:

City of Sunnyvale
Attn: Finance Dept.
650 W. Olive Avenue
Sunnyvale, CA 94086
Fax Number (408) 730-7468

with a copy to:

City of Sunnyvale
Property Management
456 W. Olive Avenue

Nothing in this provision shall be construed to prohibit communication by more expedient means, such as by e-mail, telephone or facsimile transmission, to accomplish timely communication. However, to constitute effective notice, written confirmation of a telephone conversation or an original of a facsimile transmission must be sent by first class mail, by commercial courier, or hand-delivered. Each party may change the address by written notice in accordance with this paragraph. Notices delivered personally shall be deemed communicated as of actual receipt; mailed notices shall be deemed communicated as of three days after mailing, unless such date is a date on which there is no mail service. In that event communication is deemed to occur on the next mail service day.

ARTICLE X
Miscellaneous

10.01 Entire Agreement. This Agreement, and the exhibits attached hereto, and all other instruments and documents executed and delivered at Closing by either party hereto, embody the entire agreement between the parties in connection with the transaction contemplated hereby and there are no oral or parol agreements, representations, or inducements existing between the parties relating to the transaction contemplated hereby that are not expressly set forth herein and covered hereby. This Agreement may not be modified except in writing signed by all of the parties hereto.

10.02 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, Buyer and the respective heirs, administrators, executors, personal representatives, successors, and assigns of the parties hereto and Buyer.

10.03 Waivers. No written waiver by any party at any time of any breach of any provision of this Agreement shall be deemed a waiver of a breach of any other provision herein or a consent to any subsequent breach of the same or any other provision. If any action by any party shall require the consent or approval of another party, such consent or approval of such action on any one occasion shall not be deemed a consent to or approval of such action on any subsequent occasion or a consent to or approval of any other action on the same or any subsequent occasion.

10.04 Captions. The captions, section numbers, and article numbers appearing in this Agreement are inserted only as a matter of convenience and do not define, limit, construe, or describe the scope or intent of such paragraphs or articles of this Agreement nor in any way affect this Agreement.

10.05 Time is of Essence; Counterparts; Governing Law. All parties hereto agree that time is of the essence in this transaction and that this Agreement may be executed in counterparts and shall be governed by and interpreted in accordance with the laws of the State of California.

10.06 Appointment of Designee. Lender does hereby reserve the right to appoint Buyer to accept title to the Property at the time of the Closing.

10.07 Brokers. Lender and Borrower represent and warrant to the other that it has had no direct dealings with any real estate brokers, salesmen, agents, finders, or consultants in

connection with the conveyance of the Property to Lender, other than Willow Hopkins, who provided real estate transactional services, but not in her capacity as an agent or broker.

10.08 Lender's Liability. In no event shall Lender be personally or individually liable for any obligation set forth in this Agreement. Except to the extent expressly provided in the Borrower Documents, neither Buyer nor Lender is assuming any obligations or liabilities of Borrower.

10.09 Borrower's Liability. Notwithstanding any provision contained in this Agreement to the contrary, or in any agreement to be delivered pursuant to this Agreement, it is agreed that the limited partners of Beneficiary and the officers, shareholders, and directors of general partner shall not be individually or personally liable to Lender by reason of a breach of any obligation of Borrower pursuant to this Agreement, all recourse of Lender or Buyer against Borrower to be satisfied solely from the assets of Borrower (it being agreed that any obligation of a limited partner, shareholder, director, or officer of its general partner to contribute funds or loan funds to Borrower and any negative capital account on the part of a limited partner of Borrower shall not be deemed an asset of Borrower for the purposes of this Agreement). Proceeds of the Property received by Borrower or paid to any affiliate of Borrower shall be deemed assets of Borrower.

10.10 Value. Borrower hereby confirms to Lender that this value of the Property has been determined by an appraisal and does not exceed the indebtedness owing to Lender pursuant to the Loan Documents.

10.11 Survival. The terms and provisions of this Agreement shall survive the Closing and delivery of the deed and other documents to be delivered to Lender pursuant to this Agreement.

EXECUTION

IN WITNESS WHEREOF, and intending to be legally bound hereby, the parties hereto have executed this Agreement as of the day and year first above written.

"BORROWER"

David A. Lewis

"LENDER"

City of Sunnyvale
A Municipal Corporation

By _____
Gary Luebbers, City Manager

APPROVED AS TO FORM & LEGALITY:
DAVID KAHN, CITY ATTORNEY

By _____
David E. Kahn
City Attorney

LIST OF EXHIBITS

EXHIBIT A	LEGAL DESCRIPTION
EXHIBIT B	APPRAISAL REPORT
EXHIBIT C	PRELIMINARY TITLE REPORT
EXHIBIT D	CONSENT OF SPOUSE
EXHIBIT E	COVENANT NOT TO SUE
EXHIBIT F	ESCROW AGREEMENT
EXHIBIT G	SEARCH CERTIFICATE
EXHIBIT H	SPECIAL WARRANTY DEED IN LIEU OF FORECLOSURE
EXHIBIT I	ASSIGNMENT AND ACCEPTANCE OF LEASES
EXHIBIT J	NON-FOREIGN STATUS CERTIFICATE
EXHIBIT K	DEED IN LIEU OF FORECLOSURE CERTIFICATE
EXHIBIT L	LEASE AGREEMENT
EXHIBIT M	GENERAL RELEASE
EXHIBIT N	EXPENSES OF CLOSING

EXHIBIT A

LEGAL DESCRIPTION

LEGAL DESCRIPTION

Real property in the City of Sunnyvale, County of Santa Clara, State of California, described as follows:

A CONDOMINIUM COMPRISED OF:

PARCEL ONE:

AN UNDIVIDED 13.00% INTEREST IN THE CONDOMINIUM COMMON AREA OF BUILDING M SITUATED ON LOT 1, AS SHOWN UPON THAT CERTAIN MAP OF TRACT 7585 FILED FOR RECORD ON JUNE 14, 1985, IN BOOK 544 OF MAPS, PAGES 54 AND 55, RECORDS OF SANTA CLARA COUNTY, AND AS FURTHER DEFINED IN THE "FAIR OAKS PLACE ENABLING DECLARATION OF ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP", CONDOMINIUM PLAN ATTACHED THERETO, RECORDED ON SEPTEMBER 21, 1984 IN BOOK I 901 PAGE 507 SANTA CLARA COUNTY RECORDS, AND AS SHOWN ON FIRST AMENDMENT TO FAIR OAKS PLACE ENABLING DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP, RECORDED NOVEMBER 5, 1984, IN BOOK J012, PAGE 490, OFFICIAL RECORDS, AND AS DESCRIBED IN THE CERTIFICATE OF CORRECTION, RECORDED FEBRUARY 19, 1985, IN BOOK J255 OF OFFICIAL RECORDS, PAGE 552, OFFICIAL RECORDS SANTA CLARA COUNTY; AND AS ALSO DEFINED IN THE DECLARATION OF ANNEXATION AND CONDOMINIUM PLAN ATTACHED THERETO AND RECORDED NOVEMBER 15, 1985, IN BOOK J521 PAGE 159, SANTA CLARA COUNTY RECORDS.

EXCEPTING THEREFROM ALL NUMBERED CONDOMINIUM UNITS AS SHOWN UPON THE CONDOMINIUM PLAN OF BUILDINGS M, N, O AND P, SITUATED ON LOT 1 AS FURTHER DEFINED IN THE DECLARATION MENTIONED ABOVE.

FURTHER EXCEPTING THEREFROM, THOSE PORTIONS DESIGNATED AS RESTRICTED COMMON AREAS AS SHOWN UPON SAID PLAN DESIGNATED AS GARAGE SPACES (G) AND BALCONIES (B) AND AS FURTHER DEFINED IN SAID DECLARATION.

TOGETHER WITH NONEXCLUSIVE EASEMENTS, APPURTENANT TO AND FOR THE BENEFIT OF CONDOMINIUM UNITS AND CONDOMINIUM COMMON AREAS OVER LOT 1, AS SHOWN UPON THAT CERTAIN MAP OF TRACT 7585, WHICH MAP WAS FILED FOR RECORD IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SANTA CLARA, STATE OF CALIFORNIA, ON JUNE 14, 1985, IN BOOK 544 OF MAPS, PAGES 54 AND 55, FOR THE FOLLOWING NAMED PURPOSES:

- A. INGRESS AND EGRESS OVER SUCH AREAS OF SAID LOTS NOT OCCUPIED BY BUILDINGS, CONDOMINIUM COMMON AREA, CONDOMINIUM UNITS OR RESTRICTED COMMON AREA TYPES DESCRIBED ABOVE,
- B. STRUCTURAL SUPPORT OF SAID BUILDINGS, CONDOMINIUM COMMON AREA AND CONDOMINIUM UNITS, AND
- C. ENCROACHMENT OF CONDOMINIUM COMMON AREA AND CONDOMINIUM UNITS ONTO TO RECREATIONAL COMMON AREAS,

ALL AS DEFINED IN THE "FAIR OAKS PLACE ENABLING DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP" RECORDED SEPTEMBER 21, 1984 IN BOOK I 901 PAGE 507 OF OFFICIAL RECORDS OF SANTA CLARA COUNTY, CALIFORNIA, AND FURTHER DESCRIBED IN THE CONDOMINIUM PLAN ATTACHED THERETO, AS REFERENCED IN PARCEL ONE ABOVE.

PARCEL TWO:

UNIT 6, BUILDING M OF LOT 1 AS SHOWN UPON THE CONDOMINIUM PLAN AND DECLARATION AS REFERENCED IN PARCEL ONE ABOVE.

PARCEL THREE:

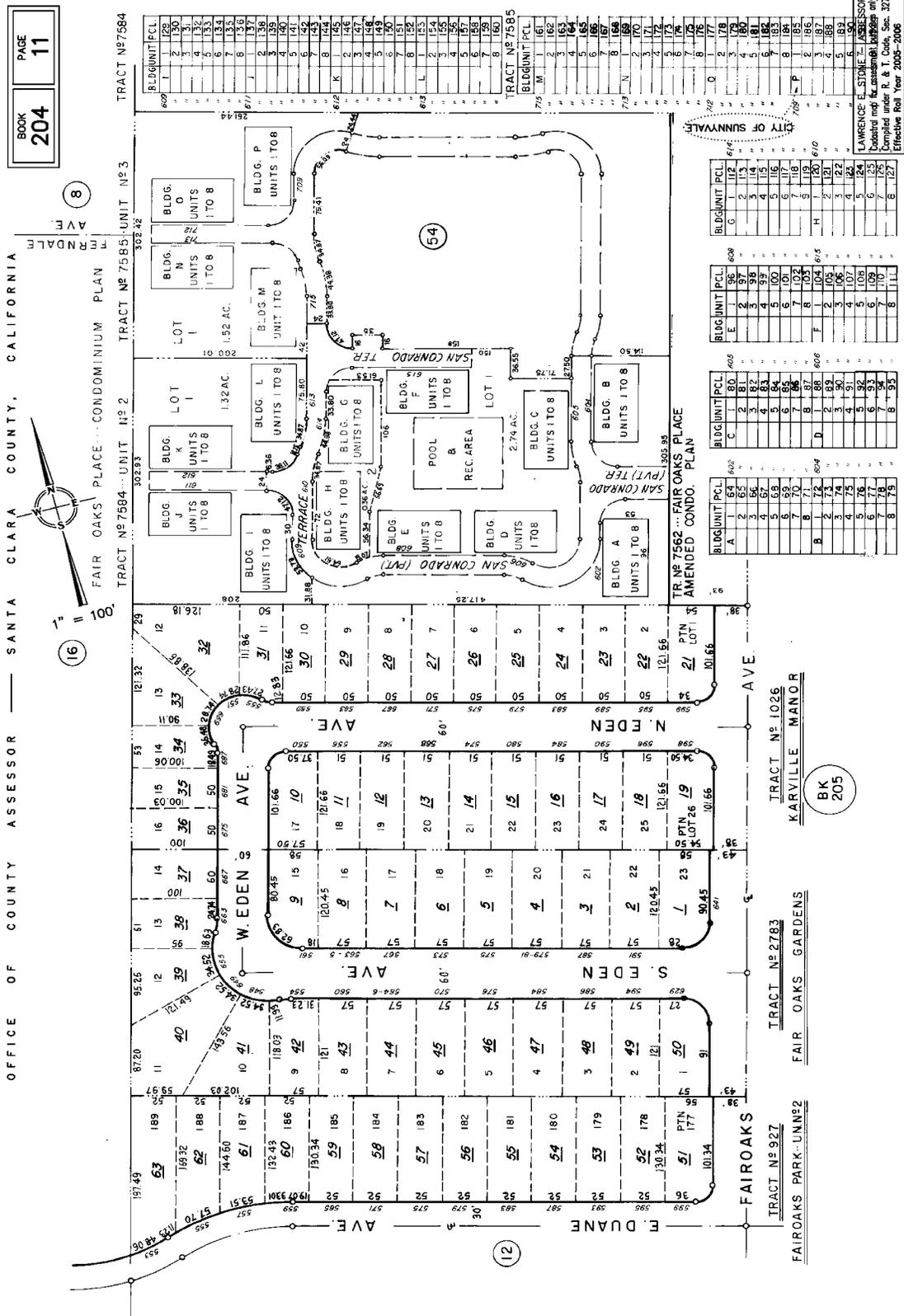
THE FOLLOWING EASEMENTS WITH THE EXCLUSIVE RIGHT TO USE THE APPURTENANT RESTRICTED COMMON AREAS AS SHOWN UPON SAID PLAN ABOVE REFERENCED TO AS FOLLOWS:

- A. BALCONY DESIGNATED B APPURTENANT TO THE ABOVE REFERENCED UNIT.
- B. GARAGE SPACES DESIGNATED G-6, BUILDING M.
- C. PORTIONS OF WET BAR, AIR CONDITION AND BAY WINDOWS, IF ANY, EXTENDING BEYOND THE BOUNDARIES OF A UNIT.

PARCEL FOUR:

TOGETHER WITH AND RESERVING THEREFROM AN EASEMENT 24 FEET IN WIDTH FOR INGRESS AND EGRESS AND EMERGENCY VEHICLE AND PUBLIC UTILITIES AS SHOWN ON THAT CERTAIN MAP ENTITLED TRACT 7562, RECORDED APRIL 9, 1984, IN BOOK 526 OF MAPS AT PAGES 53 AND 54, OFFICIAL RECORDS, SANTA CLARA COUNTY.

APN: 204-11-166-00



OFFICE OF COUNTY ASSESSOR — SANTA CLARA COUNTY, CALIFORNIA

BOOK 204
PAGE 11

FAIR OAKS PLACE CONDOMINIUM PLAN
TRACT N° 7584 UNIT N° 2
TRACT N° 7585 UNIT N° 3
TRACT N° 7586

100' 1100'

W. EDEN AVE

FAIROAKS
TRACT N° 927

FAIROAKS PARK-UNN°2
TRACT N° 922

FAIR OAKS GARDENS
TRACT N° 2783

KARVILLE MANOR
TRACT N° 1026

BLDG. UNIT PCL

BLDG. UNIT P

EXHIBIT B

APPRAISAL REPORT

APPRAISAL REPORT

of

Condominium Property at
715, San Conrado Terrace
Sunnyvale, CA 94085

As Of:

May 11, 2010

Prepared For:

Willow Hopkins
Investment Network
505 West Olive Avenue, Ste. 410
Sunnyvale, CA 94086

Prepared By:

Stephanie Huynh
The Meridian Valuation Group
2021 The Alameda, Suite 370
San Jose, CA 95126

Individual Condominium Unit Appraisal Report

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

Property Address 715 San Conrado Terrace Unit # 6 City Sunnyvale State CA Zip Code 94085
 Borrower City of Sunnyvale Owner of Public Record Lewis County Santa Clara
 Legal Description Tract 7585
 Assessor's Parcel No. 204-11-166 Tax Year 2009 R.E. Taxes \$ 4,974.50
 Project Name Fair Oaks Place Phase # Map Reference TB: 812-G5 Census Tract 5090.00
 Occupant Owner Tenant Vacant Special Assessments \$ N/A HOA \$ 309 per year per month
 Property Rights Appraised Fee Simple Leasehold Other (describe)
 Assignment Type Purchase Transaction Refinance Transaction Other (describe)
 Lender/Client Investment Network Address 505 West Olive Avenue, Ste. 410, Sunnyvale, CA 94086
 Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? Yes No
 Report data source(s) used, offerings price(s), and date(s). See Attached Subject Listing and Sales History Addendum.

I did did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed. Sales contract has not been drawn and therefore not available for review.

Contract Price \$ N/A Date of Contract N/A Is the property seller the owner of public record? Yes No Data Source(s)
 Is there any financial assistance (loan charges, sale concessions, gift or down payment assistance, etc.) to be paid by any party on behalf of the borrower? Yes No
 If Yes, report the total dollar amount and describe the items to be paid. N/A

Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood Characteristics				Condominium Unit Housing Trends				Condominium Housing			Present Land Use %	
Location	<input type="checkbox"/> Urban	<input checked="" type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Property Values	<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Declining	PRICE	AGE	One-Unit	85 %	
Built-Up	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25-75%	<input type="checkbox"/> Under 25%	Demand/Supply	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	<input type="checkbox"/> Over Supply	\$ (000)	(yrs)	2-4 Unit	5 %	
Growth	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Slow	Marketing Time	<input checked="" type="checkbox"/> Under 3 mths	<input type="checkbox"/> 3-6 mths	<input type="checkbox"/> Over 6 mths	250	Low	New	Multi-Family	5 %
Neighborhood Boundaries	See attached neighborhood description.							500	High	40	Commercial	5 %
								350	Pred.	25	Other	%

Neighborhood Description See attached neighborhood description.

Market Conditions (including support for the above conclusions) See attached neighborhood description.

Topography Level at street grade Size N/A Density 25+/- Units per Acre View Neighborhood
 Specific Zoning Classification R3PD Zoning Description Medium Density Residential - Planned Development
 Zoning Compliance Legal Legal Nonconforming - Do the zoning regulations permit rebuilding to current density? Yes No
 No Zoning Illegal (describe)
 Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use? Yes No If No, describe.

Utilities Public Other (describe) Public Other (describe) Off-site Improvements--Type Public Private
 Electricity Water Street Macadam
 Gas Sanitary Sewer Alley None
 FEMA Special Flood Hazard Area Yes No FEMA Flood Zone Zone X FEMA Map # C#060352,P#0001D FEMA Map Date 12/19/1997
 Are the utilities and/or off-site improvements typical for the market area? Yes No If No, describe.
 Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? Yes No If Yes, describe.
 See attached site description.

Data source(s) for project information Current Owner, MLS, RealQuest

Project Description	General Description	General Description	Subject Phase	If Project Completed	If Project Incomplete
Detached <input checked="" type="checkbox"/> Row or Townhouse <input type="checkbox"/> Garden <input type="checkbox"/> Mid-Rise <input type="checkbox"/> High-Rise <input type="checkbox"/> Other (describe) Low Rise	# of Stories 3 Story	Exterior Walls Stucco/Wd	# of Units 200	# of Phases N/A	# of Planned Phases NA
	# of Elevators None	Roof Surface Clay Tile	# of Units Completed 200	# of Units 200	# of Planned Units
	<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed	Total # Parking 400	# of Units For Sale 0	# of Units For Sale 0	# of Units For Sale
	<input type="checkbox"/> Under Construction	Ratio (spaces/units) 2:1	# of Units Sold 200	# of Units Sold 200	# of Units Sold
	Year Built 1985	Type Tandem Garage	# of Units Rented 66	# of Units Rented 66	# of Units Rented
	Effective Age 25	Guest Parking Adequate	# of Owner Occupied Units 144	# of Owner Occupied Units 144	# of Owner Occupied Units

Project Primary Occupancy Principal Residence Second Home or Recreational Tenant
 Is the developer/builder in control of the Homeowners' Association (HOA)? Yes No
 Management Group - Homeowners' Association Developer Management Agent - Provide name of management company. See attached development description
 Does any single entity (the same individual, investor group, corporation, etc.) own more than 10% of the total units in the project? Yes No If Yes, describe See attached development description.
 Was the project created by the conversion of an existing building(s) into a condominium? Yes No If Yes, describe the original use and the date of conversion. NA
 Are the units, common elements, and recreation facilities complete (including any planned rehabilitation for a condominium conversion)? Yes No If No, describe
 Is there any commercial space in the project? Yes No If Yes, describe and indicate the overall percentage of the commercial space.

Individual Condominium Unit Appraisal Report

Describe the condition of the project and quality of construction. See Attached Development Description.

Describe the common elements and recreational facilities. See Attached Development Description.

Are any common elements leased to or by the Homeowners' Association? Yes No If Yes, describe the rental terms and options.

Is the project subject to ground rent? Yes No If Yes, \$ _____ per year (describe terms and conditions)

Are the parking facilities adequate for the project size and type? Yes No If No, describe and comment on the effect on value and marketability.

I did did not analyze the condominium project budget for the current year. Explain the results of the analysis of the budget (adequacy of fees, reserves, etc.), or why the analysis was not performed. The budget was not available in the normal course of my business.

Are there any other fees (other than regular HOA charges) for the use of the project facilities? Yes No If Yes, report the charges and describe.

Compared to other competitive projects of similar quality and design, the subject unit charge appears High Average Low If High or Low, describe

Are there any special or unusual characteristics of the project (based on the condominium documents, HOA meetings, or other information) known to the appraiser?
 Yes No If Yes, describe and explain the effect on value and marketability.

Unit Charge \$ 309 per month X 12 = \$ 3,708 per year. Annual assessment charge per year per square feet of gross living area = \$ 3.72

Utilities included in the unit monthly assessment None Heat Air Conditioning Electricity Gas Water Sewer Cable Other (describe)

General Description		Interior materials/condition		Amenities		Appliances		Car Storage		
Floor #	Second Floor	Floors	Carpet, Vinyl, Ctile/Gd	Fireplace(s) #		Refrigerator		None		
# of Levels	One Level	Walls	Drywall/Good	Woodstove(s) #		X Range/Oven		X Garage	<input type="checkbox"/> Covered	<input type="checkbox"/> Open
Heating Type	FAU Fuel Gas	Trim/Finish	Paint/Average	Deck/Patio		X Disp	<input type="checkbox"/> Microwave	# of Cars Two		
<input type="checkbox"/> Central AC	<input type="checkbox"/> Individual AC	Bath	Wainscot Inserts/Good	X Porch/Balcony Cover		X Dishwasher		<input type="checkbox"/> Assigned	<input checked="" type="checkbox"/> Owned	
<input checked="" type="checkbox"/> Other (describe)	None	Doors	Raised Panel/Good	Other		Washer/Dryer		Parking Space # N/A		

Finished area above grade contains: 4 Rooms 2 Bedrooms 2.0 Bath(s) 996 Square Feet of Gross Living Area Above Grade

Are the heating and cooling for the individual units separately metered? Yes No If No, describe and comment on compatibility to other projects in the market area
N/A

Additional features (special energy efficient items, etc.)

Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). See Attached Improvements Description.

Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? Yes No If Yes, describe

Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? Yes No If No, describe

I did did not research the sale or transfer history of the subject property and comparable sales. If not, explain

My research did did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.
Data source(s) Re-Info Links Multiple Listing Services (See Attached Sales History Addendum.)

My research did did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.
Data source(s) RealQuest, MLS

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).

ITEM	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3
Date of Prior Sale/Transfer	8/4/2005	8/11/2004	None	11/4/2004
Price of Prior Sale/Transfer	\$460,000	\$380,000	Per	\$417,000
Data Source(s)	RealQuest	RealQuest	RealQuest	RealQuest
Effective Date of Data Source(s)	5/11/2010	5/11/2010	5/11/2010	5/11/2010

Analysis of prior sale or transfer history of the subject property and comparable sales See Attached Sales History and Sales Comparison Comments.

Individual Condominium Unit Appraisal Report

There are 18 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 210,000 to \$ 489,000		There are 50 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 245,000 to \$ 445,000		
FEATURE	SUBJECT	COMPARABLE SALE #1	COMPARABLE SALE #2	COMPARABLE SALE #3
Address	715 San Conrado Terrace, #6 and Unit # Sunnyvale, CA 94085	712 San Conrado Ter., #6 Sunnyvale, CA 94085	602 San Conrado Ter., #8 Sunnyvale, CA 94085	610 San Conrado Ter., #1 Sunnyvale, CA 94085
Project Name and Phase	Fair Oaks Place	Fair Oaks Place APN #204-11-182	Fair Oaks Place APN #204-11-071	Fair Oaks Place APN #204-11-120
Proximity to Subject		0.01 miles N	0.09 miles SE	0.08 miles S
Sale Price	\$ N/A	\$ 346,000	\$ 335,000	\$ 360,000
Sale Price/Gross Liv. Area	\$ 0.00 sq. ft.	\$ 347.39 sq. ft.	\$ 310.76 sq. ft.	\$ 333.95 sq. ft.
Data Source(s)	Inspection	MLS #81000978	MLS #81002057	MLS #81010299
Verification Source(s)	RealQuest/MLS	RealQuest/Doc# 20622404	RealQuest/Doc# 20676762	RealQuest/Doc# 20694992
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION +/- \$ Adjustment	DESCRIPTION +/- \$ Adjustment	DESCRIPTION +/- \$ Adjustment
Sale or Financing	N/A	Conv - DOM:226	Conv - DOM:60	Conv - DOM:32
Concessions	N/A	SD: 1/20/2010	SD: 3/16/2010	SD: 4/3/2010
Date of Sale/Time	N/A	COE: 2/26/2010	COE: 4/14/2010	COE: 4/30/2010
Location	Suburban/Good	Suburban/Good	Face Feeder St. +10,000	Suburban/Good
Leasehold/Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
HOA Mo. Assessment	\$309	\$309	\$324	\$324
Common Elements and Rec. Facilities	Association Pool Common Area	Association Pool Common Area	Association Pool Common Area	Association Pool Common Area
Floor Location	Top Floor	Top Floor	Top Floor	Lower Floor
View	Neighborhood	Neighborhood	Neighborhood	Neighborhood
Design (Style)	Condominium	Condominium	Condominium	Condominium
Quality of Construction	Good	Good	Good	Good
Actual Age	25/25 Eff	25/25 Eff	25/25 Eff	25/25 Eff
Condition	Good	Good	Good	Good
Above Grade	Total Bdrms Baths	Total Bdrms Baths	Total Bdrms Baths	Total Bdrms Baths
Room Count	4 2 2.0	4 2 2.00	4 2 2.00	4 2 2.00
Gross Living Area	996 sq. ft.	996 sq. ft.	1,078 sq. ft. -5,300	1,078 sq. ft. -5,300
Basement & Finished Rooms Below Grade	None	None	None	None
Functional Utility	Good	Good	Good	Good
Heating/Cooling	FAU/CtralAC	FAU/CtralAC	FAU/CtralAC	FAU/CtralAC
Energy Efficient Items	Dual Glazed	Dual Glazed	Dual Glazed	Dual Glazed
Garage/Carport	2 Car Tandem G	2 Car Tandem G	2 Car Tandem G	2 Car Tandem G
Porch/Patio/Deck	Covered Balcony	Covered Balcony	Covered Balcony	Covered Balcony
Updating	Partial	Inferior +5,000	Inferior +5,000	Superior -5,000
Fireplace	No Fireplace	No Fireplace	No Fireplace	No Fireplace
Net Adjustment (Total)		X + - \$ 5,000	X + - \$ 9,700	+X - \$ -10,300
Adjusted Sale Price of Comparables		Net Adj: 1% Gross Adj: 1% \$ 351,000	Net Adj: 3% Gross Adj: 6% \$ 344,700	Net Adj: -3% Gross Adj: 3% \$ 349,700
Summary of Sales Comparison Analysis. See attached sales comparison comments.				
Indicated Value by Sales Comparison Approach \$ 350,000				
INCOME APPROACH TO VALUE (not required by Fannie Mae)				
Estimated monthly Market Rent \$ NA X Gross Rent Multiplier NA = \$ NA Indicated Value by Income Approach (optional)				
Summary of Income Approach (including support for market rent and GRM).				
Indicated Value by: Sales Comparison Approach \$ 350,000 Income Approach (if developed) \$ NA				
See Final Reconciliation in Attached Addendum.				
RECONCILIATION				
This appraisal is made <input checked="" type="checkbox"/> "as is," <input type="checkbox"/> subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or <input type="checkbox"/> subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair. This appraisal report has been prepared in conformance with the Uniform Standards of Professional Appraisal Practice.				
Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 350,000 as of May 11, 2010, which is the date of inspection and the effective date of this appraisal.				

The Meridian Valuation Group
EXTRA COMPARABLES 4-5-6

File No. 3100132
Case No.

Borrower City of Sunnyvale
Property Address 715 San Conrado Terrace
City Sunnyvale County Santa Clara State CA Zip Code 94085
Lender/Client Investment Network Address 505 West Olive Avenue, Ste. 410, Sunnyvale, CA 94086

FEATURE	SUBJECT	COMPARABLE SALE # 4			COMPARABLE SALE # 5			COMPARABLE SALE # 6		
Address 715 San Conrado Terrace, #6 and Unit #	Sunnyvale, CA 94085	615 San Conrado Ter., #5 Sunnyvale, CA 94085			250 Santa Fe Terrace, #103 Sunnyvale, CA 94085			765 North Fair Oaks Ave, #2 Sunnyvale, CA 94085		
Project Name and Phase	Fair Oaks Place	Fair Oaks Place APN #204-11-108			Santa Elena Condominium APN #205-31-009			Condominium of Fair Oaks APN #204-10-030		
Proximity to Subject		0.06 miles SE			0.81 miles S			0.10 miles E		
Sale Price	\$ N/A	\$ 325,000*LP			\$ 399,000*LP			\$ 303,500*LP		
Sale Price/Gross Liv. Area	\$ 0.00 sq. ft.	\$ 301.48 sq. ft.			\$ 376.06 sq. ft.			\$ 316.15 sq. ft.		
Data Source(s)	Inspection	MLS #80949225			MLS #81018038			MLS #81003693		
Verification Source(s)	RealQuest/MLS	Mario Vista@408-922-0606			Royce Cablayan@650-917-4339			Gloria Barnum@408-505-6635		
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	
Sale or Financing	N/A	ShrtSale - DOM:116		Conv - DOM: 6		REO - DOM:94				
Concessions	N/A	SD: 3/9/2010		SD: 4/19/2010		SD: 4/30/2010				
Date of Sale/Time	N/A	COE: Pending		COE: Pending		COE: Pending				
Location	Suburban/Good	Suburban/Good		Suburban/Good		Suburban/Good				
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple		Fee Simple				
HOA Mo. Assessment	\$309	\$324		\$331		\$295				
Common Elements and Rec. Facilities	Association Pool Common Area	Association Pool Common Area		Association Pool Common Area		Association Pool Common Area				
Floor Location	Top Floor	Top Floor		Top Floor		Top Floor				
View	Neighborhood	Neighborhood		Neighborhood		Neighborhood				
Design (Style)	Condominium	Condominium		Condominium		Condominium				
Quality of Construction	Good	Good		Good		Inferior	+10,000			
Actual Age	25/25 Eff	25/25 Eff		15/15 Eff	-30,000	38/35	+20,000			
Condition	Good	Good		Good		Good				
Above Grade	Total Bdrms Baths	Total Bdrms Baths		Total Bdrms Baths		Total Bdrms Baths				
Room Count	4 2 2.0	4 2 2.00		4 2 2.00		4 2 1.00	+10,000			
Gross Living Area	996 sq. ft.	1,078 sq. ft.	-5,300	1,061 sq. ft.	-4,200	960 sq. ft.	0			
Basement & Finished Rooms Below Grade	None	None		None		None				
Functional Utility	Good	Good		Good		Good				
Heating/Cooling	FAU/CtralAC	FAU/CtralAC		FAU/NoCtralAC	+1,000	FAU/NoCtralAC	+1,000			
Energy Efficient Items	Dual Glazed	Dual Glazed		Dual Glazed		Standard Eff.	+1,000			
Garage/Carport	2 Car Tandem G	2 Car Tandem G		Underground	+5,000	1 Car Carport	+5,000			
Porch/Patio/Deck	Covered Balcony	Covered Balcony		Covered Balcony		Covered Balcony				
Updating	Partial	Superior	-2,500	Superior	-5,000	Partial				
Fireplace	No Fireplace	No Fireplace		1 Fireplace	-1,000	No Fireplace				
Net Adjustment (Total)			\$ -7,800		\$ -34,200		\$ 47,000			
Adjusted Sale Price of Comparables		Net Adj: -2% Gross Adj: 2%	\$ 317,200	Net Adj: -9% Gross Adj: 12%	\$ 364,800	Net Adj: 15% Gross Adj: 15%	\$ 350,500			
Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales										
ITEM	SUBJECT	COMPARABLE SALE # 4			COMPARABLE SALE # 5			COMPARABLE SALE # 6		
Date of Prior Sale/Transfer	8/4/2005	10/31/2007			11/30/2005			11/17/2009		
Price of Prior Sale/Transfer	\$460,000	\$207,500			\$455,000			\$373,339 (Trustee's Deed)		
Data Source(s)	RealQuest	RealQuest			RealQuest			RealQuest		
Effective Date of Data Source(s)	5/11/2010	5/11/2010			5/11/2010			5/11/2010		
Summary of Sales Comparison Analysis.										

Individual Condominium Unit Appraisal Report

This report form is designed to report an appraisal of a unit in a condominium project or a condominium unit in a planned unit development (PUD). This report form is not designed to report an appraisal of a manufactured home or a unit in a cooperative project.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject unit, (2) inspect and analyze the condominium project, (3) inspect the neighborhood, (4) inspect each of the comparable sales from at least the street, (5) research, verify, and analyze data from reliable public and/or private sources, and (6) report his or her analysis, opinions, and conclusions in this appraisal report.

INTENDED USE: The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

INTENDED USER: The intended user of this appraisal report is the lender/client.

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

Individual Condominium Unit Appraisal Report**APPRAISER'S CERTIFICATION:** The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the interior and exterior areas of the subject property. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.

Individual Condominium Unit Appraisal Report

File No. 3100132
Case No.

21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.

23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.

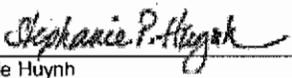
24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

SUPERVISORY APPRAISER'S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

APPRAISER

Signature 
 Name Stephanie Huynh
 Company Name The Meridian Valuation Group
 Company Address 2021 The Alameda, Suite 370
San Jose, CA 95126
 Telephone Number (408)261-4300
 Email Address appraisals@tmvg.com
 Date of Signature and Report May 13, 2010
 Effective Date of Appraisal May 11, 2010
 State Certification # _____
 or State License # AL041141
 or Other (describe) _____ State # _____
 State CA
 Expiration Date of Certification or License 9/12/2010

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature 
 Name John W. Hibbard
 Company Name The Meridian Valuation Group
 Company Address 2021 The Alameda, Suite 370
San Jose, CA 95126
 Telephone Number 408-261-4300
 Email Address appraisals@tmvg.com
 Date of Signature May 13, 2010
 State Certification # _____
 or State License # AG009239
 State CA
 Expiration Date of Certification or License 6/27/2011

ADDRESS OF PROPERTY APPRAISED

715 San Conrado Terrace
Sunnyvale, CA 94085

APPRAISED VALUE OF SUBJECT PROPERTY \$ 350,000

LENDER/CLIENT

Name Willow Hopkins
 Company Name Investment Network
 Company Address 505 West Olive Avenue, Ste. 410
Sunnyvale, CA 94086
 Email Address willowhopkins@yahoo.com

SUBJECT PROPERTY

- Did not inspect subject property
 Did inspect exterior of subject property from street
 Date of Inspection _____
 Did inspect interior and exterior of subject property
 Date of Inspection _____

COMPARABLE SALES

- Did not inspect exterior of comparable sales from street
 Did inspect exterior of comparable sales from street
 Date of Inspection _____

The Meridian Valuation Group
COMMENT ADDENDUM

File No. 3100132
Case No.

Borrower	City of Sunnyvale						
Property Address	715 San Conrado Terrace						
City	Sunnyvale	County	Santa Clara	State	CA	Zip Code	94085
Lender/Client	Investment Network		Address 505 West Olive Avenue, Ste. 410, Sunnyvale, CA 94086				

PURPOSE AND USE OF THIS REPORT:

The purpose of this appraisal is to develop an opinion of market value, and intended for use by the client and/or their assigns to determine a reasonable sale price.

This report is not intended for any other use. The information contained in this report is specific to the needs of the client named on the first page of the Condo form. The appraiser is not responsible for unauthorized use of this report.

This report is designed to meet the USPAP requirements for a Summary Report as defined in the Uniform Standards of Professional Appraisal Practice, revised January 1, 2010.

SCOPE OF THE APPRAISAL:

The following appraisal methods were utilized to arrive at a final estimate of value.

- 1) The data services provided by the MLS, the California Market Data Cooperative (CMDIC), the Transamerica Information Management (RealQuest) and First American Real Estate Solutions (FARES) were utilized.
- 2) Information regarding social, economic and political factors and physical or environmental conditions which might have an effect on value was considered.
- 3) A physical inspection of the subject property and neighborhood was conducted. Observations of physical condition and sources of functional and external obsolescence were made, photographs taken and a floorplan sketch of the subject improvements prepared.
- 4) An exterior inspection of comparable properties was undertaken. Those which are most similar to the subject property, and the most valid indicators of value, were selected and are cited in this report.
- 5) A detailed review and analysis of all pertinent data was made and the information reconciled to form a final opinion of value. Closed transactions as well as pending sales and current listings were considered in reaching a final estimate of value.

NEIGHBORHOOD DESCRIPTION:

The subject property is located in a residential neighborhood within the City of Sunnyvale, a suburban community of the Santa County. Sunnyvale is approximately 45 miles southeast of the City of San Francisco and is proximate to the area known as "Silicon Valley", one of the nation's highest concentrations of high technology employment.

The subject's immediate neighborhood is comprised of average to good quality one and two story single family residences interspersed with common interest development and commercial properties. Maintenance is generally good and the subject is compatible with the other properties in the neighborhood in terms of design and appeal.

No noteworthy detrimental neighborhood conditions were observed in the course of the appraisal inspection.

The subject neighborhood boundaries are the city limits of City of Sunnyvale within the 94085 zip code.

MARKET CONDITIONS:

The subject's market area has a history of very strong demand and a long-term trend of rising values. However, according to the statistics generated by Trulia Real Estate Search (www.trulia.com), the median sales price for all homes within ZIP code 94085 for February 2010 to April 2010 was \$427,118. This represents an increase of 0.9%, or \$3,918, compared to the prior quarter and a decrease of 1.8% compared to the prior year. Sales prices have depreciated 25.1% over the past five years in 94085, Sunnyvale. [Please refer to attached "Market Trend" Exhibit.]

Currently, 55% of the current listing and pending condominium and townhomes properties are either short sale or bank owned properties. Exposure times are currently averaging from two to four months.

The Meridian Valuation Group
COMMENT ADDENDUM

File No. 3100132
Case No.

Borrower City of Sunnyvale						
Property Address 715 San Conrado Terrace						
City	Sunnyvale	County	Santa Clara	State	CA	Zip Code 94085
Lender/Client	Investment Network		Address 505 West Olive Avenue, Ste. 410, Sunnyvale, CA 94086			

THE SUBJECT'S DEVELOPMENT:

The subject property is located within a 200-unit Common Interest Development known as "Fair Oaks Place." The subject property is professionally managed by CJM Management Group. According to Ms. Christina, a CMM representative, 66 out of the total 200 units are currently occupied by renters (approximately 72% owner occupancy rate), and there are no current litigations involving the homeowner's association. Homeowner's dues for the subject unit are \$309 per month. These fees include the upkeep of the common areas such as the private streets, common driveways, association pool, playgrounds, green belts, picnic area, guest parking area, as well as the exterior walls, roof, and exterior landscaping.

SITE DESCRIPTION:

The subject property is an air-space condominium unit located within a modern common interest development. The current use of the subject property appears to conform to the requirements of the subject's Medium Density Residential Planned Development zoning designation.

The front part of the subject development faces a busy feeder street, Fair Oaks Avenue. As a result, some of the units facing this feeder street suffers a noise detriment. No other adverse site conditions were discovered in the course of the appraisal inspection or the preparation of this report.

The present use is the highest and best use of the subject property. In reaching this conclusion consideration was given to those uses which are physically possible, legally permissible, financially feasible and which result in the highest property value. The consideration of highest and best use included analysis of the subject site as if vacant in addition to consideration of the site as it is presently improved.

Hazardous substances or adverse environmental conditions which may be present on or proximate to the subject property may have an adverse effect on value. The appraiser has no knowledge of the existence of any such materials or conditions. However, the appraiser is not qualified to detect or test for any such substances or conditions. Accordingly, it is an extraordinary assumption of this report that there are no such conditions on or in the property, or in such proximity thereto which would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in the field of environmental hazards if there are concerns about these matters.

IMPROVEMENTS DESCRIPTION:

The subject improvements consist of a twenty-five-year old, wooden framed, three-level attached condominium style dwelling, with a clay tile roof, stucco exterior, and a built in two-car garage in tandem. The subject unit is a single-level style dwelling located on the top level with other unit beneath.

The subject dwelling is in overall good condition. Noteworthy features include ceramic tile entry; wall to wall carpeting with the exception of the kitchen and bathrooms which consist of updated vinyl flooring; the kitchen appears to be original but shows evidence of good maintenance; bathrooms feature culture marble counters, vinyl flooring and inserted wainscoting.

No functional obsolescence was discovered in the course of the inspection of the subject improvements.

Exterior improvements include extra closet storages on the covered balcony.

SALES COMPARISON COMMENTS:

For the purpose of this report a thorough search of MLS records was conducted. The data search included examination of closed transactions as well as pending sales and current listings. No properties more suitable for comparison with the subject were found than those which are cited in this report.

Room count adjustments were calculated at \$10,000 per bathroom.

Gross living adjustments were calculated at \$65 per square foot on the difference more than 50 square feet, rounded to the nearest \$100.

The Meridian Valuation Group
COMMENT ADDENDUM

File No. 3100132
Case No.

Borrower	City of Sunnyvale						
Property Address	715 San Conrado Terrace						
City	Sunnyvale	County	Santa Clara	State	CA	Zip Code	94085
Lender/Client	Investment Network		Address 505 West Olive Avenue, Ste. 410, Sunnyvale, CA 94086				

SALES COMPARISON COMMENTS: (Continue)

Comparable #2 is located within the subject development, but it faces a busy feeder street, Fair Oaks Avenue. As a result, this property suffers a minor noise detriment and has been adjusted accordingly for its inferior location.

Age adjustments were made at \$2,000 per year base on the difference in effective age.

Comparables #1, #2, and #6 have been adjusted to reflect the subject's overall superior condition and updating features.

Comparables #3 and #4 have been adjusted accordingly for the various degree of superior upgrades. Comparable #3 has new paint throughout, newer flooring throughout and new vanity in one bathroom as well as new appliances in the kitchen. Comparable #4 has newer vinyl flooring and granite countertops.

ANALYSIS OF CURRENT AGREEMENTS OR PRIOR SALES:

RealQuest records indicate the most recent transfer of ownership occurred on August 4, 2005 for a sale price of \$460,000 with document number 18508079. No other transfer of ownership interest of the subject property was shown in the RealQuest records since that time.

The subject property has not been listed for sale in the MLS within the past 36 months.

FINAL RECONCILIATION:

The income approach to value was not employed because, in the subject's market area, condominium units do not generate sufficient income to justify purchase for income-producing purposes, and no consistent relationship appears to exist between market rents and property values. Accordingly, it appears the purchase of units in the subject's development for rental purposes does not represent the highest and best use of these properties.

Personal property was specifically excluded from the value conclusion of this report. The final estimate of value shown is for real estate only.

The cost approach to value was not employed because there are no individually-owned sites or improvements within the subject's development. The subject is an air-space condominium unit.

The final opinion of market value of the subject property, as of May 11, 2010, and based upon an estimated exposure time of two to four months, was \$350,000.

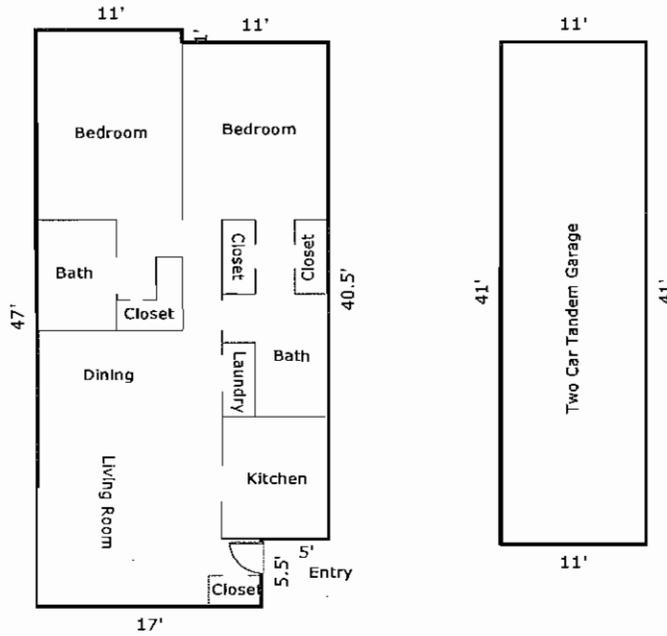
CERTIFICATION OF DIGITAL SIGNATURE

It should be noted that this appraisal report utilizes a digital signature. The Uniform Standards of Professional Appraisal Practice and the Appraisal Standards Board state that electronically affixing a signature to a report, carries the same level of authenticity and responsibility as an ink signature on a paper copy report. All electronic signatures in the report have a security feature accessible only to the appraiser. No person can alter the appraisal report with the exception of the original signing appraiser.

The Meridian Valuation Group
SKETCH ADDENDUM

File No. 3100132
 Case No.

Borrower City of Sunnyvale
 Property Address 715 San Conrado Terrace
 City Sunnyvale County Santa Clara State CA Zip Code 94085
 Lender/Client Investment Network Address 505 West Olive Avenue, Ste. 410, Sunnyvale, CA 94086



Sketch by Apex Medina™
 Comments:

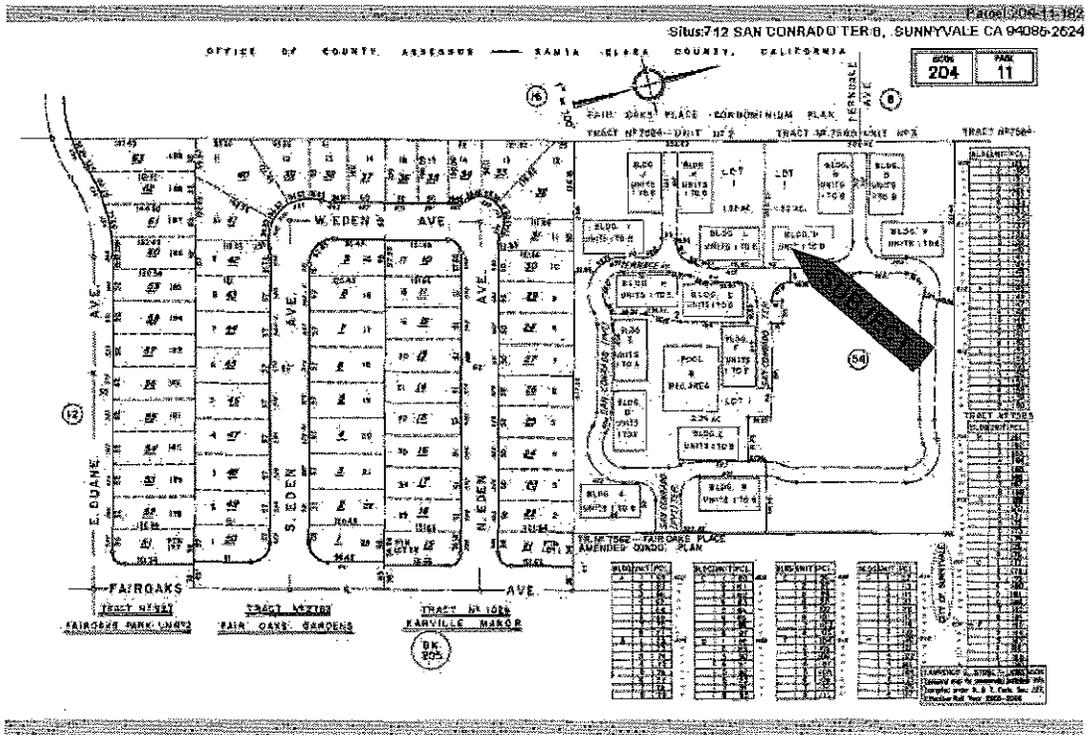
AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor	995.5	995.5
GAR	Garage	451.0	451.0
Net LIVABLE Area		(rounded)	996

LIVING AREA BREAKDOWN			
Breakdown			Subtotals
First Floor			
11.0	x	1.0	11.0
22.0	x	40.5	891.0
5.5	x	17.0	93.5
3 Items			(rounded) 996

The Meridian Valuation Group
ASSESSOR'S PARCEL MAP

File No. 3100132
 Case No.

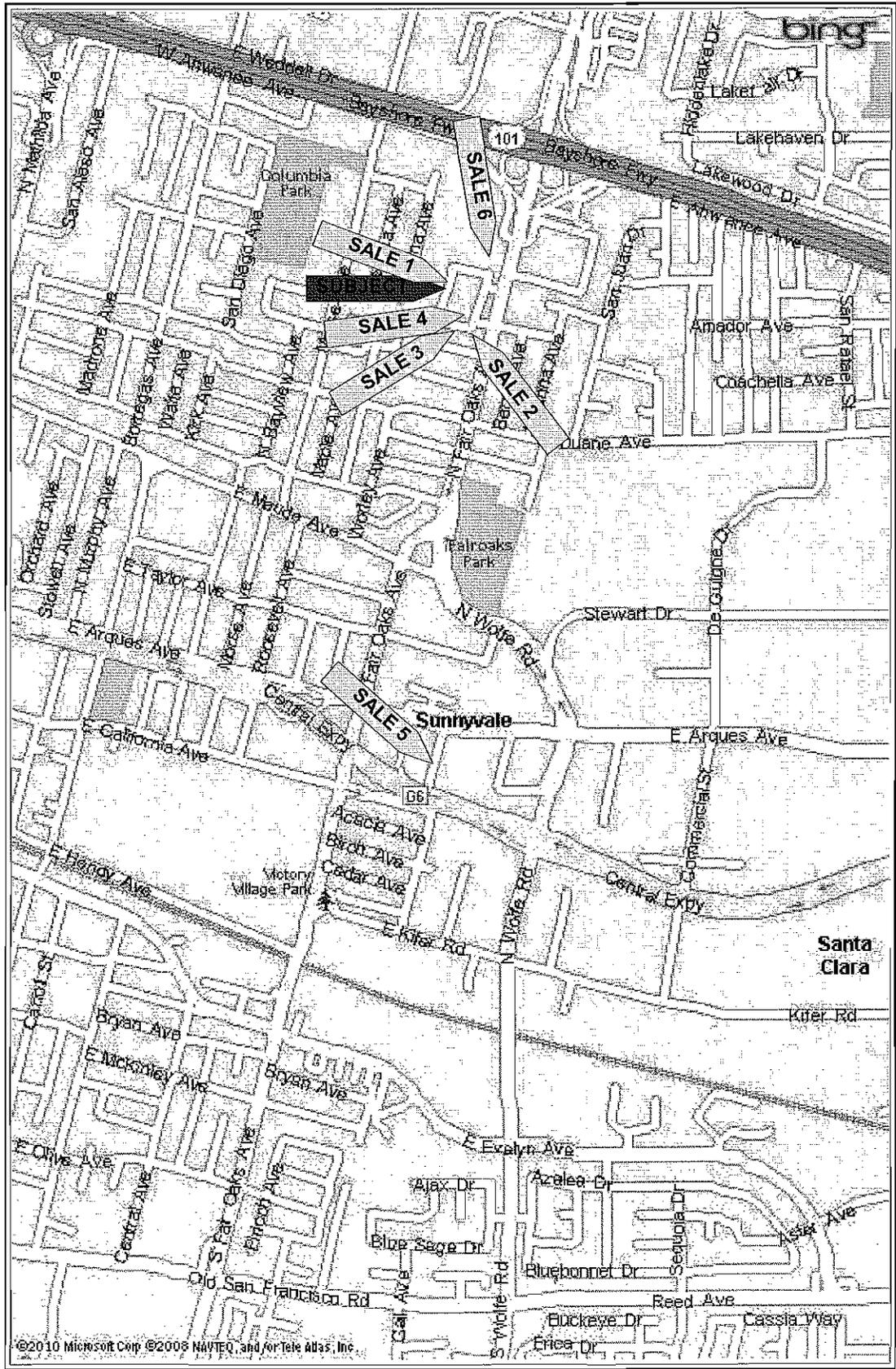
Borrower City of Sunnyvale
 Property Address 715 San Conrado Terrace
 City Sunnyvale County Santa Clara State CA Zip Code 94085
 Lender/Client Investment Network Address 505 West Olive Avenue, Ste. 410, Sunnyvale, CA 94086



The Meridian Valuation Group
LOCATION MAP ADDENDUM

File No. 3100132
Case No.

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Lender/Client	Investment Network	Address	505 West Olive Avenue, Ste. 410, Sunnyvale, CA 94086				



Borrower City of Sunnyvale

Property Address 715 San Conrado Terrace

City Sunnyvale County Santa Clara State CA Zip Code 94085

Lender/Client Investment Network Address 505 West Olive Avenue, Ste. 410, Sunnyvale, CA 94086



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Sunnyvale, 94085 Market Trends

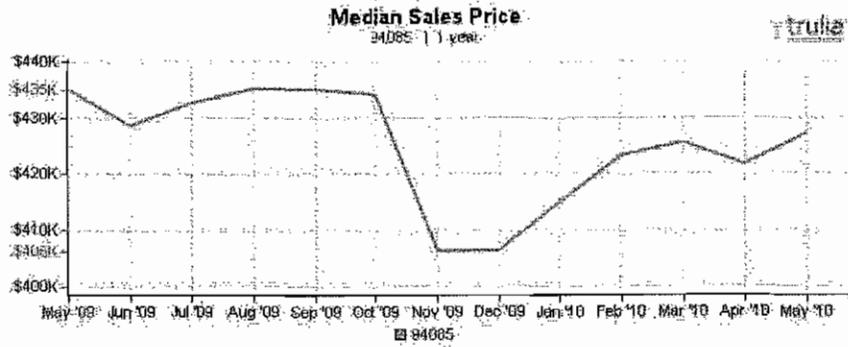
Today, May 12, 2010

Median Sales Price in 94085

Embed Info

Sunnyvale 94085

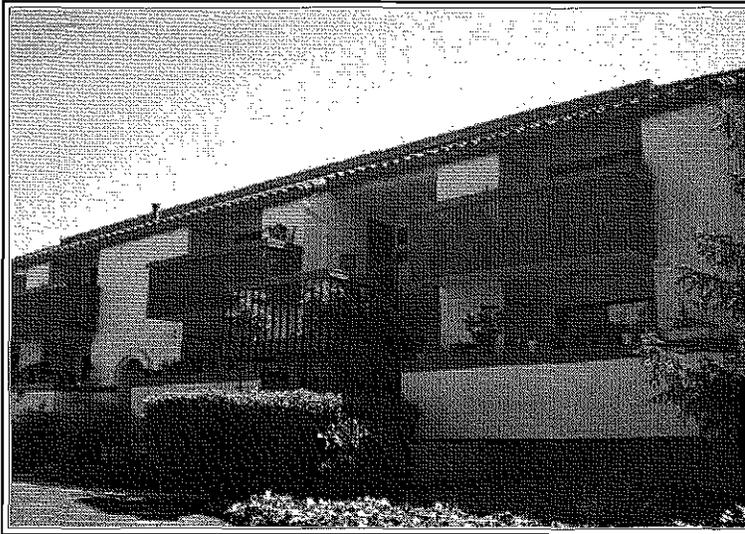
1 yr 5 yr Max



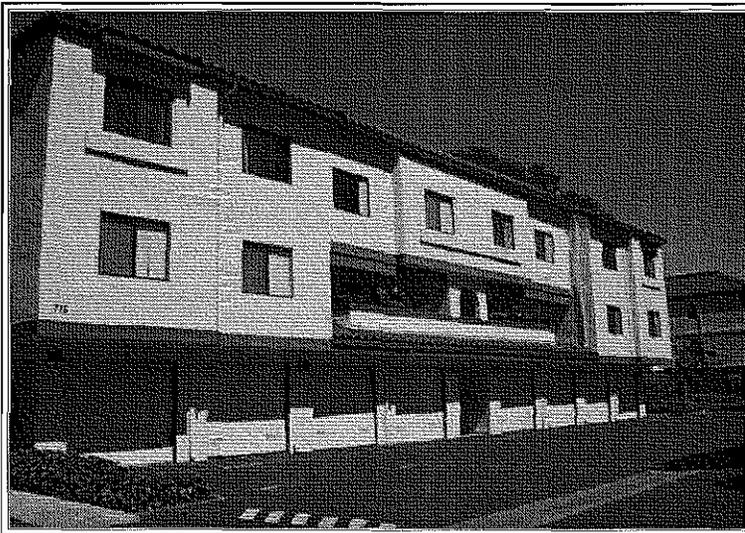
The Meridian Valuation Group
SUBJECT PHOTO ADDENDUM

File No. 3100132
Case No.

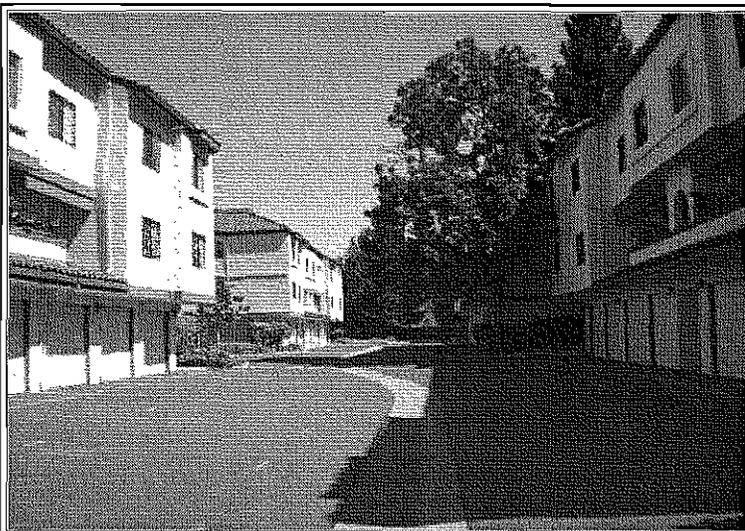
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City	Sunnyvale	County	Santa Clara	State	CA	Zip Code	94085
Lender/Client	Investment Network	Address 505 West Olive Avenue, Ste. 410, Sunnyvale, CA 94086					



**FRONT OF
SUBJECT PROPERTY**
715 San Conrado Terrace
Sunnyvale, CA 94085



**REAR OF
SUBJECT PROPERTY**

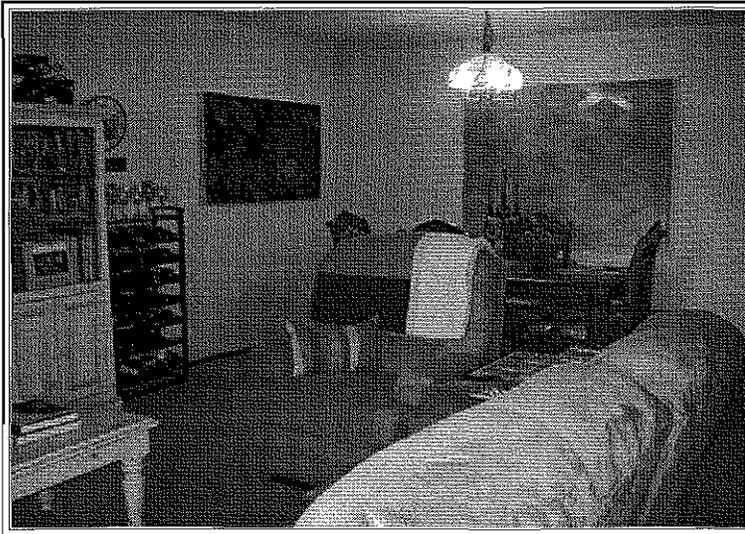


STREET SCENE

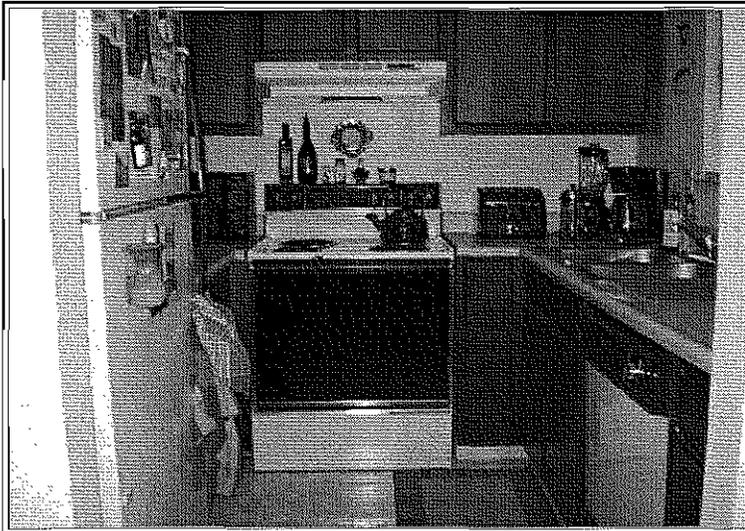
The Meridian Valuation Group
SUBJECT PHOTO ADDENDUM

File No. 3100132
Case No.

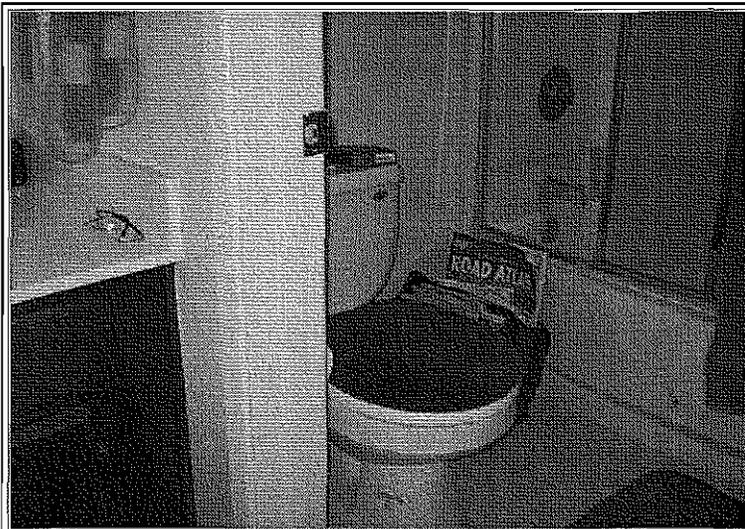
Borrower City of Sunnyvale
Property Address 715 San Conrado Terrace
City Sunnyvale County Santa Clara State CA Zip Code 94085
Lender/Client Investment Network Address 505 West Olive Avenue, Ste. 410, Sunnyvale, CA 94086



SUBJECT
LIVING ROOM & DINING AREA



SUBJECT
KITCHEN



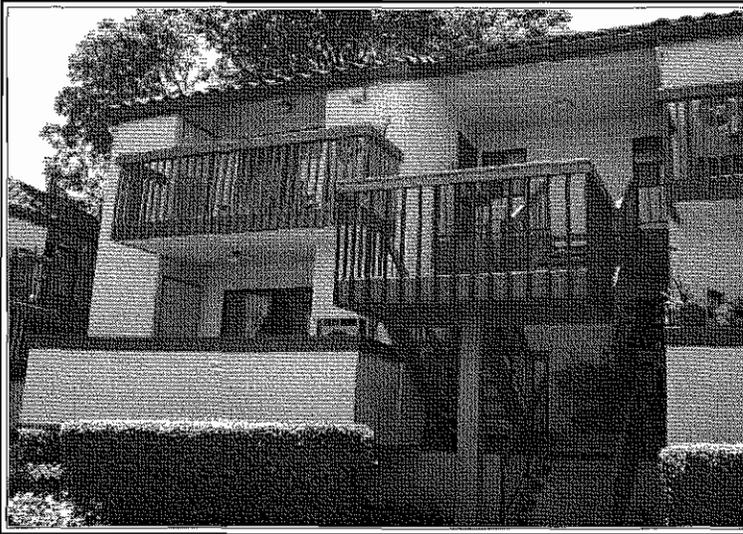
SUBJECT
BATHROOM

Borrower: City of Sunnyvale

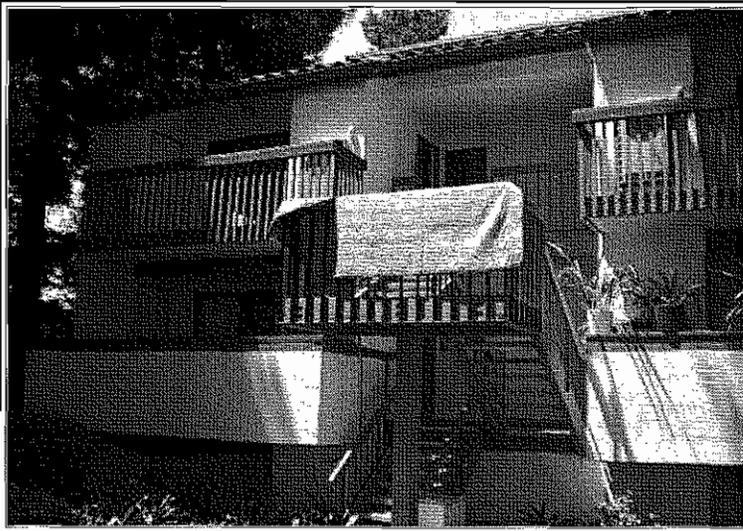
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City Sunnyvale County Santa Clara State CA Zip Code 94085

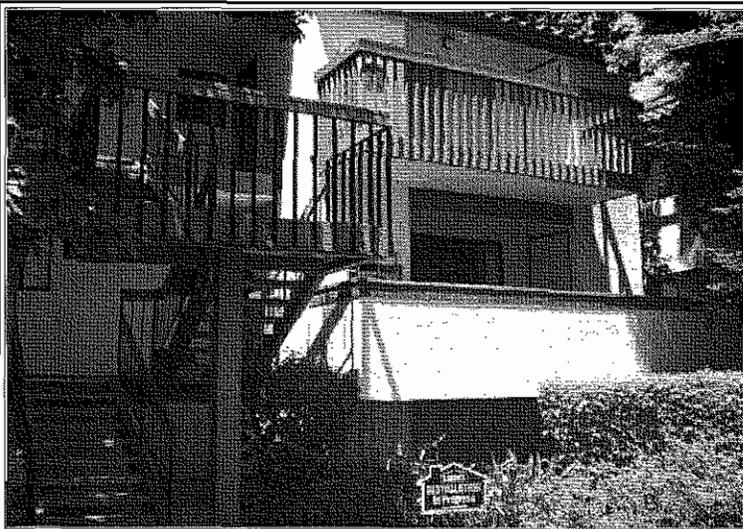
Lender/Client Investment Network Address 505 West Olive Avenue, Ste. 410, Sunnyvale, CA 94086



COMPARABLE SALE # 1
712 San Conrado Ter., #6
Sunnyvale, CA 94085



COMPARABLE SALE # 2
602 San Conrado Ter., #8
Sunnyvale, CA 94085



COMPARABLE SALE # 3
610 San Conrado Ter., #1
Sunnyvale, CA 94085

The Meridian Valuation Group
COMPARABLES 4-5-6

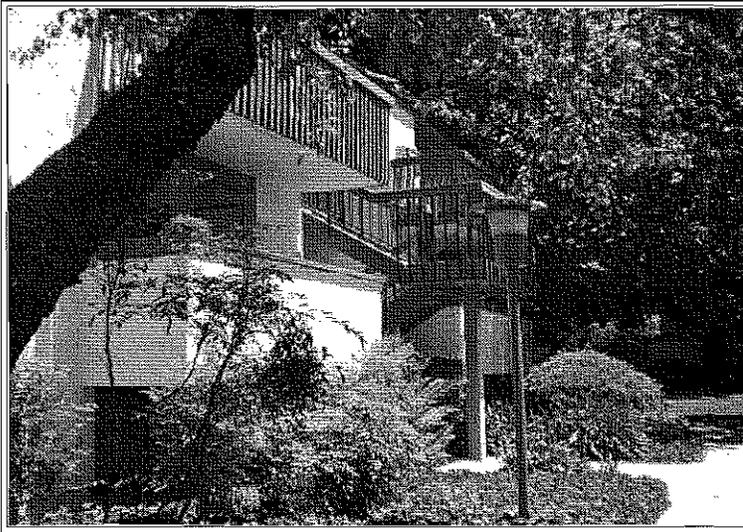
File No. 3100132
Case No.

Borrower City of Sunnyvale

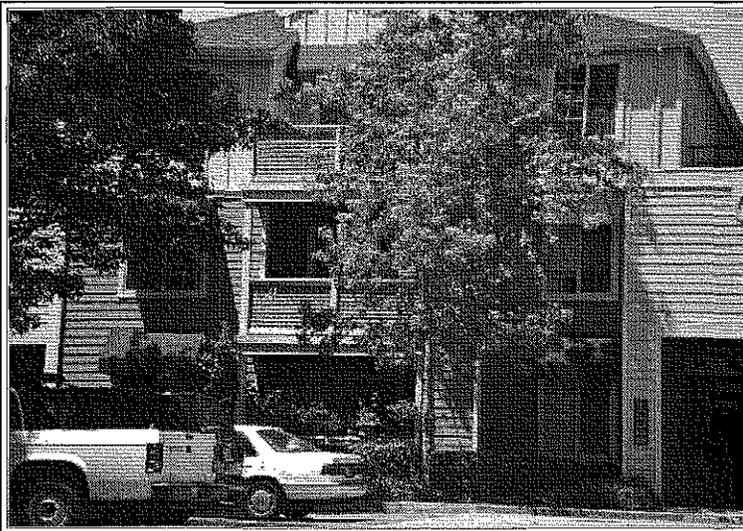
Property Address 715 San Conrado Terrace

City Sunnyvale County Santa Clara State CA Zip Code 94085

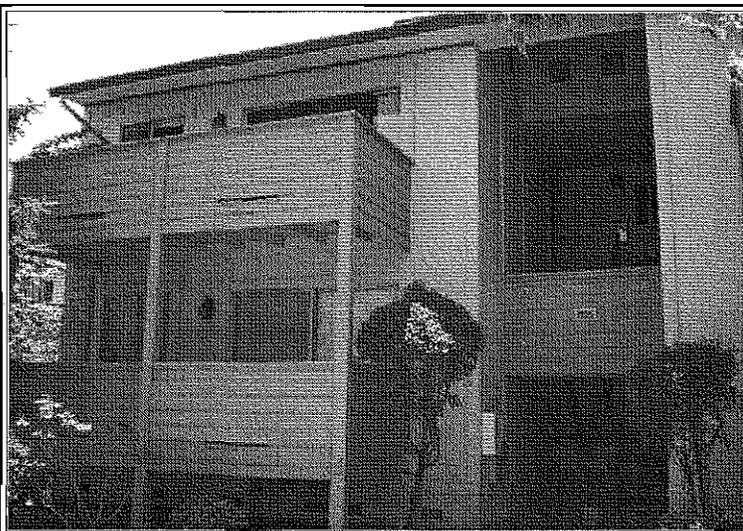
Lender/Client Investment Network Address 505 West Olive Avenue, Ste. 410, Sunnyvale, CA 94086



COMPARABLE SALE # 4
615 San Conrado Ter., #5
Sunnyvale, CA 94085



COMPARABLE SALE # 5
250 Santa Fe Terrace, #103
Sunnyvale, CA 94085



COMPARABLE SALE # 6
765 North Fair Oaks Ave, #2
Sunnyvale, CA 94085

EXHIBIT C

PRELIMINARY TITLE REPORT



First American Title Company

12772 Saratoga-Sunnyvale Road, Suite 200
Saratoga, CA 95070

Escrow Officer: Zack Felder
Phone: (408)867-9915
Fax No.: (866)404-5899
E-Mail: zfelder@firstam.com

E-Mail Loan Documents to: SaratogaEDocs@firstam.com
Property: 715 San Cornado Terrace #6
Sunnyvale, CA 94085

PRELIMINARY REPORT

In response to the above referenced application for a policy of title insurance, this company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Exhibit A attached. *The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties.* Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Exhibit A. Copies of the policy forms should be read. They are available from the office which issued this report.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit A of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

Dated as of May 03, 2010 at 7:30 A.M.

The form of Policy of title insurance contemplated by this report is:

1998 ALTA/CLTA Homeowner's (EAGLE) Policy of Title Insurance

A specific request should be made if another form or additional coverage is desired.

Title to said estate or interest at the date hereof is vested in:

DAVID A. LEWIS, A SINGLE MAN, AS HIS SOLE AND SEPARATE PROPERTY

The estate or interest in the land hereinafter described or referred to covered by this Report is:

A fee as to Parcel(s) ONE AND TWO, an easement as to Parcel(s) THREE AND FOUR.

The Land referred to herein is described as follows:

(See attached Legal Description)

At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions in said policy form would be as follows:

1. General and special taxes and assessments for the fiscal year 2010-2011, a lien not yet due or payable.
2. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.
3. Covenants, conditions, restrictions, easements, assessments, liens, charges, terms and provisions in the document recorded SEPTEMBER 21, 1984 as DOCUMENT NO, 8195605, BOOK I1901, PAGE 507 of Official Records, which provide that a violation thereof shall not defeat or render invalid the lien of any first mortgage or deed of trust made in good faith and for value, but deleting any covenant, condition, or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, sexual orientation, marital status, ancestry, disability, handicap, familial status, national origin or source of income (as defined in California Government Code §12955(p)), to the extent such covenants, conditions or restrictions violate 42 U.S.C. §3604(c) or California Government Code §12955. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status

FAIR OAKS PLACE HOMEOWNERS ASSOCIATION, A CALIFORNIA NONPROFIT MUTUAL BENEFIT CORPORATION Homeowners Association is referenced in the above mentioned document.

Document(s) declaring modifications thereof recorded NOVEMBER 05, 1984 as DOCUMENT NO. 8238518, BOOK J012, PAGE 490 of Official Records.

A declaration of annexation recorded NOVEMBER 15, 1985 as DOCUMENT NO. 8596915, BOOK J521, PAGE 159 of Official Records, but deleting any covenant, condition, or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin, to the extent such covenants, conditions or restrictions violate 42 U.S.C. §3604(c) or applicable state law. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Document(s) declaring modifications thereof recorded MARCH 08, 1988 as DOCUMENT NO. 9621852, BOOK K464, PAGE 2237 of Official Records.

Document(s) declaring modifications thereof recorded NOVEMBER 23, 1992 as DOCUMENT NO. 11657641 of Official Records.

Document(s) declaring modifications thereof recorded MARCH 26, 1998 as DOCUMENT NO. 14112114 of Official Records.

4. Any easements or servitudes appearing in the public records.
Affects: Common Area.

5. A Deed of Trust to secure an original indebtedness of \$414,000.00 recorded AUGUST 04, 2005 as DOCUMENT NO. 18508080 of Official Records.
Dated: JULY 29, 2005
Trustor: DAVID A. LEWIS, A SINGLE MAN AS HIS SOLE AND SEPARATE PROPERTY
Trustee: OLD REPUBLIC TITLE COMPANY, A CALIFORNIA CORPORATION
Beneficiary: CITY OF SUNNYVALE MUNICIPAL CORPORATION

6. Any defects, liens, encumbrances or other matters which name parties with the same or similar names as DAVID A LEWIS (8 MATTERS). The name search necessary to ascertain the existence of such matters has not been completed. In order to complete this preliminary report or commitment, we will require a statement of information.

INFORMATIONAL NOTES

Note: The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than the certain dollar amount set forth in any applicable arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. If you desire to review the terms of the policy, including any arbitration clause that may be included, contact the office that issued this Commitment or Report to obtain a sample of the policy jacket for the policy that is to be issued in connection with your transaction.

1. General and special taxes and assessments for the fiscal year 2009-2010.

First Installment:	\$2,487.25, PAID
Penalty:	\$0.00
Second Installment:	\$2,487.25, PAID
Penalty:	\$0.00
Tax Rate Area:	09-002
A. P. No.:	204-11-166-00

2. This report is preparatory to the issuance of an ALTA Loan Policy. We have no knowledge of any fact which would preclude the issuance of the policy with CLTA endorsement forms 100 and 116 and if applicable, 115 and 116.2 attached.

When issued, the CLTA endorsement form 116 or 116.2, if applicable will reference a(n) Condominium known as 715 San Cornado Terrace #6, Sunnyvale, California.

3. According to the public records, there has been no conveyance of the land within a period of twenty-four months prior to the date of this report, except as follows:

None

4. Note: Please contact the FAIR OAKS PLACE HOMEOWNERS ASSOCIATION, A CALIFORNIA NONPROFIT MUTUAL BENEFIT CORPORATION Homeowner's Association and/or their successors and assigns or any other appropriate entity regarding assessments, transfer fees and other requirements that may be due or imposed upon the contemplated transaction pursuant to the above document(s). Reference is made to the recorded document(s) for full particulars.

The map attached, if any, may or may not be a survey of the land depicted hereon. First American expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

WIRING INSTRUCTIONS

PAYABLE TO: FIRST AMERICAN TITLE COMPANY
BANK: First American Trust, FSB
ADDRESS: 5 First American Way, Santa Ana, CA 92707
ACCOUNT NO: 3004890000
ROUTING NUMBER: 122241255

PLEASE REFERENCE THE FOLLOWING:

CUSTOMER NAME:

FILE NUMBER: 4307-3511172 (zf)

ATTENTION: ZACK FELDER

PLEASE USE THE ABOVE INFORMATION WHEN WIRING FUNDS TO **FIRST AMERICAN TITLE COMPANY. FUNDS MUST BE WIRED FROM A U.S. BANK.** PLEASE NOTIFY **ZACK FELDER** AT **(408)867-9915** WHEN YOU HAVE TRANSMITTED YOUR WIRE. FAX NUMBER: **(866)404-5899**

FIRST AMERICAN TRUST CONTACT INFO: Banking Services 1-877-600-9473

**ALL WIRES WILL BE RETURNED IF THE FILE NUMBER
AND/OR NAME(S) ARE NOT INCLUDED**

LEGAL DESCRIPTION

Real property in the City of Sunnyvale, County of Santa Clara, State of California, described as follows:

A CONDOMINIUM COMPRISED OF:

PARCEL ONE:

AN UNDIVIDED 13.00% INTEREST IN THE CONDOMINIUM COMMON AREA OF BUILDING M SITUATED ON LOT 1, AS SHOWN UPON THAT CERTAIN MAP OF TRACT 7585 FILED FOR RECORD ON JUNE 14, 1985, IN BOOK 544 OF MAPS, PAGES 54 AND 55, RECORDS OF SANTA CLARA COUNTY, AND AS FURTHER DEFINED IN THE "FAIR OAKS PLACE ENABLING DECLARATION OF ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP", CONDOMINIUM PLAN ATTACHED THERETO, RECORDED ON SEPTEMBER 21, 1984 IN BOOK I 901 PAGE 507 SANTA CLARA COUNTY RECORDS, AND AS SHOWN ON FIRST AMENDMENT TO FAIR OAKS PLACE ENABLING DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP, RECORDED NOVEMBER 5, 1984, IN BOOK J012, PAGE 490, OFFICIAL RECORDS, AND AS DESCRIBED IN THE CERTIFICATE OF CORRECTION, RECORDED FEBRUARY 19, 1985, IN BOOK J255 OF OFFICIAL RECORDS, PAGE 552, OFFICIAL RECORDS SANTA CLARA COUNTY; AND AS ALSO DEFINED IN THE DECLARATION OF ANNEXATION AND CONDOMINIUM PLAN ATTACHED THERETO AND RECORDED NOVEMBER 15, 1985, IN BOOK J521 PAGE 159, SANTA CLARA COUNTY RECORDS.

EXCEPTING THEREFROM ALL NUMBERED CONDOMINIUM UNITS AS SHOWN UPON THE CONDOMINIUM PLAN OF BUILDINGS M, N, O AND P, SITUATED ON LOT 1 AS FURTHER DEFINED IN THE DECLARATION MENTIONED ABOVE.

FURTHER EXCEPTING THEREFROM, THOSE PORTIONS DESIGNATED AS RESTRICTED COMMON AREAS AS SHOWN UPON SAID PLAN DESIGNATED AS GARAGE SPACES (G) AND BALCONIES (B) AND AS FURTHER DEFINED IN SAID DECLARATION.

TOGETHER WITH NONEXCLUSIVE EASEMENTS, APPURTENANT TO AND FOR THE BENEFIT OF CONDOMINIUM UNITS AND CONDOMINIUM COMMON AREAS OVER LOT 1, AS SHOWN UPON THAT CERTAIN MAP OF TRACT 7585, WHICH MAP WAS FILED FOR RECORD IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SANTA CLARA, STATE OF CALIFORNIA, ON JUNE 14, 1985, IN BOOK 544 OF MAPS, PAGES 54 AND 55, FOR THE FOLLOWING NAMED PURPOSES:

- A. INGRESS AND EGRESS OVER SUCH AREAS OF SAID LOTS NOT OCCUPIED BY BUILDINGS, CONDOMINIUM COMMON AREA, CONDOMINIUM UNITS OR RESTRICTED COMMON AREA TYPES DESCRIBED ABOVE,
- B. STRUCTURAL SUPPORT OF SAID BUILDINGS, CONDOMINIUM COMMON AREA AND CONDOMINIUM UNITS, AND
- C. ENCROACHMENT OF CONDOMINIUM COMMON AREA AND CONDOMINIUM UNITS ONTO TO RECREATIONAL COMMON AREAS,

ALL AS DEFINED IN THE "FAIR OAKS PLACE ENABLING DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP" RECORDED SEPTEMBER 21, 1984 IN BOOK I 901 PAGE 507 OF OFFICIAL RECORDS OF SANTA CLARA COUNTY, CALIFORNIA, AND FURTHER DESCRIBED IN THE CONDOMINIUM PLAN ATTACHED THERETO, AS REFERENCED IN PARCEL ONE ABOVE.

PARCEL TWO:

UNIT 6, BUILDING M OF LOT 1 AS SHOWN UPON THE CONDOMINIUM PLAN AND DECLARATION AS REFERENCED IN PARCEL ONE ABOVE.

PARCEL THREE:

THE FOLLOWING EASEMENTS WITH THE EXCLUSIVE RIGHT TO USE THE APPURTENANT RESTRICTED COMMON AREAS AS SHOWN UPON SAID PLAN ABOVE REFERENCED TO AS FOLLOWS:

- A. BALCONY DESIGNATED B APPURTENANT TO THE ABOVE REFERENCED UNIT.
- B. GARAGE SPACES DESIGNATED G-6, BUILDING M.
- C. PORTIONS OF WET BAR, AIR CONDITION AND BAY WINDOWS, IF ANY, EXTENDING BEYOND THE BOUNDARIES OF A UNIT.

PARCEL FOUR:

TOGETHER WITH AND RESERVING THEREFROM AN EASEMENT 24 FEET IN WIDTH FOR INGRESS AND EGRESS AND EMERGENCY VEHICLE AND PUBLIC UTILITIES AS SHOWN ON THAT CERTAIN MAP ENTITLED TRACT 7562, RECORDED APRIL 9, 1984, IN BOOK 526 OF MAPS AT PAGES 53 AND 54, OFFICIAL RECORDS, SANTA CLARA COUNTY.

APN: 204-11-166-00

Section 12413.1 of the California Insurance Code, effective January 1, 1990, requires that any title insurance company, underwritten title company, or controlled escrow company handling funds in an escrow or sub-escrow capacity, wait a specified number of days after depositing funds, before recording any documents in connection with the transaction or disbursing funds. This statute allows for funds deposited by wire transfer to be disbursed the same day as deposit. In the case of cashier's checks or certified checks, funds may be disbursed the next day after deposit. In order to avoid unnecessary delays of three to seven days, or more, please use wire transfer, cashier's checks, or certified checks whenever possible.

If you have any questions about the effect of this new law, please contact your local First American Office for more details.

EXHIBIT A
LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS (BY POLICY TYPE)

1. CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990
SCHEDULE B

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notice of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
(a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
(b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
(c) resulting in no loss or damage to the insured claimant;
(d) attaching or created subsequent to Date of Policy; or
(e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable "doing business" laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by their policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

2. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY FORM B - 1970
SCHEDULE OF EXCLUSIONS FROM COVERAGE

1. Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions or location of any improvement now or hereafter erected on the land, or prohibiting a separation in ownership or a reduction in the dimensions of area of the land, or the effect of any violation of any such law, ordinance or governmental regulation.
2. Rights of eminent domain or governmental rights of police power unless notice of the exercise of such rights appears in the public records at Date of Policy.
3. Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed or agreed to by the insured claimant; (b) not known to the Company and not shown by the public records but known to the insured claimant either at Date of Policy or at the date such claimant acquired an estate or interest insured by this policy and not disclosed in writing by the insured claimant to the Company prior to the date such insured claimant became an insured hereunder; (c) resulting in no loss or damage to the insured claimant; (d) attaching or created subsequent to Date of Policy; or (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.

**3. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY FORM B - 1970
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 2 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

This policy does not insure against loss or damage by reason of the matters shown in parts one and two following:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.

**4. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1970
WITH A.L.T.A. ENDORSEMENT FORM 1 COVERAGE
SCHEDULE OF EXCLUSIONS FROM COVERAGE**

1. Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions or location of any improvement now or hereafter erected on the land, or prohibiting a separation in ownership or a reduction in the dimensions or area of the land, or the effect of any violation of any such law ordinance or governmental regulation.
2. Rights of eminent domain or governmental rights of police power unless notice of the exercise of such rights appears in the public records at Date of Policy.
3. Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed or agreed to by the insured claimant, (b) not known to the Company and not shown by the public records but known to the insured claimant either at Date of Policy or at the date such claimant acquired an estate or interest insured by this policy or acquired the insured mortgage and not disclosed in writing by the insured claimant to the Company prior to the date such insured claimant became an insured hereunder, (c) resulting in no loss or damage to the insured claimant; (d) attaching or created subsequent to Date of Policy (except to the extent insurance is afforded herein as to any statutory lien for labor or material or to the extent insurance is afforded herein as to assessments for street improvements under construction or completed at Date of Policy).
4. Unenforceability of the lien of the insured mortgage because of failure of the insured at Date of Policy or of any subsequent owner of the indebtedness to comply with applicable "doing business" laws of the state in which the land is situated.

**5. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1970
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association Lenders Policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy, the exclusions set forth in paragraph 4 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

This policy does not insure against loss or damage by reason of the matters shown in parts one and two following:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

**6. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1992
WITH A.L.T.A. ENDORSEMENT FORM 1 COVERAGE
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy; (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material or the extent insurance is afforded herein as to assessments for street improvements under construction or completed at date of policy); or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable "doing business" laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.
7. Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
 - (i) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or
 - (ii) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or
 - (iii) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (a) to timely record the instrument of transfer; or
 - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

7. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1992 WITH REGIONAL EXCEPTIONS

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 6 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

8. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 1992 EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance

resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.

(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.

2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
 - (a) created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
 - (i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
 - (ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (a) to timely record the instrument of transfer; or
 - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

9. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 1992 WITH REGIONAL EXCEPTIONS

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 8 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

10. AMERICAN LAND TITLE ASSOCIATION RESIDENTIAL TITLE INSURANCE POLICY - 1987 EXCLUSIONS

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:

* land use	* land division
* improvements on the land	* environmental protection

This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date. This exclusion does not limit the zoning coverage described in items 12 and 13 of Covered Title Risks.

2. The right to take the land by condemning it, unless:
 - * a notice of exercising the right appears in the public records on the Policy Date
 - * the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking.
3. Title Risks:
 - * that are created, allowed, or agreed to by you
 - * that are known to you, but not to us, on the Policy Date - unless they appeared in the public records
 - * that result in no loss to you
 - * that first affect your title after the Policy Date - this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks
4. Failure to pay value for your title.
5. Lack of a right:
 - * to any land outside the area specifically described and referred to in Item 3 of Schedule A, or
 - * in streets, alleys, or waterways that touch your landThis exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

11. EAGLE PROTECTION OWNER'S POLICY

**CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE - 2008
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE - 2008**

Covered Risks 16 (Subdivision Law Violation). 18 (Building Permit). 19 (Zoning) and 21 (Encroachment of boundary walls or fences) are subject to Deductible Amounts and Maximum Dollar Limits of Liability

EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
 - a. building
 - b. zoning
 - c. land use
 - d. improvements on the land
 - e. land division
 - f. environmental protectionThis Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right:
 - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.This Exclusion does not limit the coverage described in Covered Risk 11 or 21

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows: Covered Risk 16, 18, 19 and 21, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A. The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16: 1% of Policy Amount or \$5,000.00 (whichever is less)	\$10,000.00
Covered Risk 18: 1% of Policy Amount or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 19: 1% of Policy Amount or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 21: 1% of Policy Amount or \$2,500.00 (whichever is less)	\$5,000.00

12. THIRD GENERATION EAGLE LOAN POLICY AMERICAN LAND TITLE ASSOCIATION EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (1/01/08)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions, or location of any improvement erected on the Land; (iii) the subdivision of land; or (iv) environmental protection; or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;

- (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 - (e) resulting in loss or damage which would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing business laws of the state where the Land is situated.
 5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
 6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
 7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
 8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.

13. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 2006
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

14. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 2006
WITH REGIONAL EXCEPTIONS

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 13 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

15. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 2006
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection; or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risks 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

16. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 2006
WITH REGIONAL EXCEPTIONS

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 15 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

PRIVACY POLICY

We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information – particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our parent company, The First American Corporation, we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability

This Privacy Policy governs our use of the information which you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its *Fair Information Values*, a copy of which can be found on our website at www.firstam.com.

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies, and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies, or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's *Fair Information Values*. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

EXHIBIT D

CONSENT OF SPOUSE

I, Marsha Lewis, the spouse of DAVID A. LEWIS ("Borrower"), do hereby acknowledge receipt of a copy of the Deed in Lieu of Foreclosure Agreement ("Agreement") between Borrower and the City of Sunnyvale, a Municipal Corporation ("Lender") regarding the conveyance of Borrower's principal residence located at located at 715 San Conrado Terrace #6, Sunnyvale, California to Lender and do hereby consent to the terms and conditions set forth in the Agreement.

I understand and agree to surrender any community property interest I may have in Borrower's principal residence and agree to be bound by the terms and conditions of the Deed in Lieu of Foreclosure Agreement in consideration for a complete release from liabilities under the Borrower's loan agreement documents.

I further acknowledge that I have been provided time to seek the advice of an independent attorney of my own choosing not associated with the Deed in Lieu of Foreclosure Agreement or the parties thereto.

Marsha Lewis

EXHIBIT E

COVENANT NOT TO SUE

FOR AND IN CONSIDERATION of the sum of Ten and No/100 Dollars (\$10.00), in hand paid, and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, pursuant to that certain Deed in Lieu of Foreclosure Agreement dated as of _____ (the "Purchase Agreement") between the CITY OF SUNNYVALE, a municipal corporation ("Lender"), and DAVID A LEWIS, an individual ("Borrower"), Lender does hereby covenant and agree not to sue Borrower and his respective heirs, executors, administrators, personal representatives, successors, assigns, and past, present, and future affiliates, officers, directors, employees, shareholders, and agents, on account of any and all liabilities, duties, responsibilities, obligations, claims, demands, actions, damages, costs, losses, and expenses now existing or hereafter arising out of or in any way relating to or connected with, directly or indirectly, the "Property" (as defined in the Purchase Agreement), the "Loan" (as defined in the Purchase Agreement), and the "Loan Documents" (as defined in the Purchase Agreement) excluding, however, those specific matters or obligations of Borrower arising under the specific terms of the Purchase Agreement and the "Borrower Documents" (as defined in the Purchase Agreement) and the Environmental Indemnification Agreement.

Notwithstanding the foregoing, Lender reserves, on its own behalf (as defined in the Purchase Agreement), the right to sue (including, without limitation, the right to counterclaim against) and obtain and satisfy a judgment against, Borrower to the full extent of any indemnification obligations of Borrower under the Purchase Agreement or by reason of claims of causes or action arising out of (a) any breach of the covenants, representations, warranties, and agreements by Borrower set forth in the Borrower Documents, (b) fraud, or (c) Borrower's failure to pay to Lender rents collected by Borrower allocable to any period following the Closing Date. The foregoing covenant not to sue will be null, void, and of no force and effect, if (d) Borrower commences any action, suit, or proceeding against Lender, or any other "Lender-Connected Party" (as defined in the Purchase Agreement) in connection with the Purchase Agreement seeking to rescind the transaction contemplated thereby (in whole or in part) or attacking the validity thereof (in whole or in part) or (e) if on or before the 367th day following the "Closing Date" (as defined in the Purchase Agreement) Borrower files a petition under any chapter or section of Title 11 of the United States Code, as amended. Furthermore, Lender shall have the right to sue and (including, without limitation, the right to counterclaim against) obtain and satisfy a judgment against Borrower if Borrower is a necessary or reasonably necessary party in any action brought against Lender or any affiliate of Lender. Nothing contained herein shall affect, and Lender hereby expressly reserves, the right to foreclose the "Mortgage" (as defined in the Purchase Agreement) by judicial or, to the extent permitted by applicable law, nonjudicial foreclosure and, in connection with any such foreclosure, Borrower may, in Lender's sole discretion, be named as a party defendant, and Lender will be permitted to seek, obtain, and satisfy a judgment in any such foreclosure proceedings, provided, however, that Borrower shall not be personally liable for satisfaction of such judgment.

Date: _____

CITY OF SUNNYVALE
A Municipal Corporation

By _____
Gary Luebbers, City Manager

APPROVED AS TO FORM & LEGALITY

David Kahn, City Attorney

By _____
Kathryn A. Berry
Sr. Assistant City Attorney

EXHIBIT F

ESCROW AGREEMENT

THIS ESCROW AGREEMENT ("Escrow Agreement"), dated as of _____, 2010, by and between DAVID A. LEWIS, an individual ("Borrower"), and CITY OF SUNNYVALE, a Municipal Corporation, together with its successors and assigns ("Lender"); and FIRST AMERICAN TITLE COMPANY ("Escrow Agent").

R E C I T A L S

A. Borrower and Lender have entered into that certain Deed in Lieu of Foreclosure Agreement of even date herewith (the "Purchase Agreement"), subject to the terms and conditions of which, among other things, Borrower has agreed to convey to Lender, and Lender shall acquire from Borrower, fee simple title to the real estate and the improvements thereon legally described on Exhibit A attached hereto.

B. Pursuant to the Purchase Agreement, Borrower has agreed to:

- (i) Deposit the Transfer Documents with Escrow Agent to be identified by Lender, to be held in escrow, pursuant to the terms of this Escrow Agreement,
- (ii) Deposit \$_____ in immediately available funds with Escrow Agent ("Deposit"); and
- (iii) Enter into this Escrow Agreement Lender.

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which hereby are acknowledged, the parties hereto agree as follows:

AGREEMENT

1. Incorporation of Recitals. The foregoing Recitals hereby are affirmed by the parties hereto, and are acknowledged by Lender and Borrower to be true and correct and are incorporated into the body of this Escrow Agreement by this reference as if fully set forth herein.

2. Borrower's Escrow Deposits. Borrower hereby deposits with Escrow Agent the Deposit and the documents referenced in Schedule 1 of this Escrow Agreement. Escrow Agent hereby acknowledges receipt of such items and agrees to hold and dispose of same in accordance with the terms of this Escrow Agreement.

3. Lender's Escrow Deposits. Lender hereby deposits with Escrow Agent the funds, if any, and the documents referenced on Schedule 2 of this Escrow Agreement.

(a) Escrow Agent hereby acknowledges receipt of such items and agrees to hold and dispose of same in accordance with the terms of this Escrow Agreement, provided Escrow Agent has: (i) Received funds sufficient to pay all title, recording, and escrow charges and title premiums payable in connection with the actions to be taken by Escrow Agent described below; (ii) Received written notice from Lender that all conditions to Buyer's and Lender's obligations under the Purchase Agreement have been satisfied or waived (other than those to be satisfied pursuant to this Escrow Agreement); and (iii) irrevocably committed to issue

the owners title insurance policy in the form of the specimen policy attached hereto as Schedule and the endorsements to its loan policy number _____ in the form attached hereto as Schedule 4.

(b) Escrow Agent is then authorized and directed to proceed as follows: (i) purchase all necessary state, county, and municipal transfer stamps and/or taxes and affix same to the deed; (ii) record the deed at once; (iii) pay all title and escrow trust charges and title premiums; (iv) deliver all of Borrower's deposits to Buyer; (v) deliver all of Lender's deposits to Borrower; and (vi) issue and deliver to Lender the owners title policy and loan policy endorsements.

(c) In the event that on or before _____, Escrow Agent has not received (i) funds sufficient to pay all title, recording, and escrow charges and title premiums payable in connection with the actions to be taken by Escrow Agent described above; (ii) all deposits specified on Schedules 1 and 2; and (iii) written notice from Lender that all conditions to Buyer's and Lender's obligations under the Purchase Agreement have been satisfied or waived (other than those to be satisfied pursuant to this Escrow Agreement), or in the event that Escrow Agent is not committed to proceed as provided in this Escrow Agreement then Escrow Agent shall continue to hold all deposits made under this Escrow Agreement and comply with the terms of this Escrow Agreement until Escrow Agent receives a written demand from Lender to return all deposits to the party depositing same.

4. Notices. All notices required by this Agreement shall be in writing, legible, and shall be personally delivered, sent by first class mail with postage prepaid, or by commercial courier, addressed as follows:

<p>To Borrower: David Lewis 715 San Conrado Terrace #6 Sunnyvale, CA 94085</p> <p>with a copy to: _____ _____ _____ Fax Number _____</p>	<p>To Lender: City of Sunnyvale Attn: Finance Dept. 650 W. Olive Avenue Sunnyvale, CA 94086 Fax Number (408) 730-7468</p> <p>with a copy to: City of Sunnyvale Property Management 456 W. Olive Avenue Sunnyvale, CA 94086 Fax Number (408) 730-7286</p>
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Nothing in this provision shall be construed to prohibit communication by more expedient means, such as by e-mail, telephone or facsimile transmission, to accomplish timely communication. However, to constitute effective notice, written confirmation of a telephone conversation or an original of a facsimile transmission must be sent by first class mail, by commercial courier, or hand-delivered. Each party may change the address by written notice in accordance with this paragraph. Notices delivered personally shall be deemed communicated as of actual receipt; mailed notices shall be deemed communicated as of three days after mailing, unless such date is a date on which there is no mail service. In that event communication is deemed to occur on the next mail service day.

5. Time. Whenever under the terms and provisions of this Escrow Agreement the time for performance of an obligation falls on a Saturday, Sunday, or legal holiday, such time for

performance shall be extended to the next business day.

EXECUTION

IN WITNESS WHEREOF, and intending to be legally bound hereby, the parties hereto have executed this Agreement as of the day and year first above written.

<p>"BORROWER"</p> <p>_____</p> <p>David A. Lewis, an individual</p>	<p>"LENDER"</p> <p>City of Sunnyvale A Municipal Corporation</p> <p>By _____ Gary Luebbers, City Manager</p> <p>APPROVED AS TO FORM & LEGALITY: DAVID KAHN, CITY ATTORNEY</p> <p>By _____</p>
<p>"ESCROW AGENT"</p> <p>FIRST AMERICAN TITLE COMPANY</p> <p>By _____ Zack Felder Branch Manager/Escrow Officer</p>	

EXHIBIT G

SEARCH CERTIFICATE

THE UNDERSIGNED hereby certifies, represents, and warrants to Lender, CITY OF SUNNYVALE, and their respective successors and assigns, that it is familiar with the matters set forth herein and has full power and has been duly authorized to execute and deliver this Search Certificate.

The undersigned agrees that this Search Certificate is provided pursuant to that certain Deed in Lieu of Foreclosure Agreement dated as of _____, 2010 (the "Agreement), between Lender and Borrower, DAVID A. LEWIS, and their respective successors and assigns, and they are entitled to rely on this Search Certificate.

All certifications, representations, and warranties contained herein shall be deemed remade on, and as of, the "Closing Date" (as defined in the Agreement). The undersigned further certifies, represents, and warrants to Lender that Borrower has not executed any financing statements other than the financing statements constituting a part of the Loan Documents

Date: _____, 2010.

"BORROWER"

DAVID A. LEWIS

<p><u>Recording Requested By and When Recorded Send to:</u></p> <p>City of Sunnyvale City Attorney's Office 456 W. Olive Avenue Sunnyvale, CA 94807</p> <p><u>Mail Tax Statements to:</u></p>	
<p>APN <u>204-11-166</u></p>	<p>SPACE ABOVE THIS LINE FOR RECORDER'S USE</p>

The undersigned grantor(s) declare(s)

Documentary transfer tax is \$_____

() computed on full value of property conveyed, or

() computed on full value less value of liens and encumbrances remaining at time of sale.

() Unincorporated area: (X) City of Sunnyvale and

() Realty not sold.

City transfer tax is \$____-0-_____ (tax must be a good multiple of \$1.65)

SPECIAL WARRANTY DEED IN LIEU OF FORECLOSURE

SPECIAL WARRANTY DEED IN LIEU OF FORECLOSURE

FOR AND IN CONSIDERATION OF THE SUM OF TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable consideration in hand paid to the undersigned by CITY OF SUNNYVALE, a Municipal Corporation ("Grantee"), whose mailing address is _____, the receipt and sufficiency of such consideration being hereby acknowledged, DAVID A. LEWIS, an individual ("Grantor"), does hereby grant, sell, and convey unto Grantee that certain real property being more particularly described in Exhibit 1 attached hereto and made a part hereof for all purposes, together with all improvements and fixtures situated thereon (collectively, the "Property"); subject, however, to those matters described in Exhibit 2 attached hereto and made a part hereof for all purposes.

TO HAVE AND TO HOLD the Property, together with all and singular the rights and appurtenances thereto in anywise belonging, unto Grantee and its successors and assigns and to warrant and forever defend all and singular the Property unto Grantee, its successors and assigns, against every person whomsoever lawfully claiming, or claim the same, or any part thereof, by, through, or under Grantor but not otherwise.

This Special Warranty Deed is given by Grantor as a deed in lieu of foreclosure. It is the purpose and intent of Grantor and Grantee that the interests of Grantee shall not merge with the interests of Lender under the Mortgage.

Executed on _____, 2010, at Sunnyvale, California.

David A. Lewis

NOTARIAL ACKNOWLEDGMENT(S)

State of California
County of SANTA CLARA

On _____, 2010, before me, _____, personally appeared _____ DAVID A. LEWIS, an individual _____

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.

Signature _____ (Seal)

EXHIBIT I

ASSIGNMENT AND ACCEPTANCE OF LEASES

IN CONSIDERATION OF THE SUM OF TEN AND NO/100 DOLLARS (\$10.00), in hand paid, the receipt and sufficiency of which hereby is acknowledged, DAVID A. LEWIS, Borrower, hereby sells, assigns, transfers, and sets over unto CITY OF SUNNYVALE, a Municipal Corporation ("Lender"), pursuant to that certain Deed in Lieu of Foreclosure Agreement dated as of _____, 2010 (the "Agreement"), between Borrower and Lender, the following described property (all capitalized terms used but not elsewhere defined herein shall have the respective meanings ascribed to such terms in the Agreement):

1. All of Borrower's right, title, and interest as lessor in leases, licenses, and other agreements in effect on the Closing Date (collectively, the "Leases") to occupy all or any portion of the Real Estate which Real Estate is commonly known as 715 San Conrado Terrace #6, Sunnyvale, California, and is legally described on Exhibit A attached hereto, together with (a) all rents due but unpaid, accrued, or to become due under each such Lease, (b) all rents that have been received and are allocable to periods following the Closing Date, and (c) all guaranties by third parties of the tenants' obligations thereunder. The Leases are described on the rent roll attached hereto to the Agreement as Exhibit N.

2. All lease security deposits under the Leases (including both cash and non-cash items given as lease security deposits), together with all interest thereon, subject, however, to the rights of tenants therein.

3. All claims against tenants under the Leases or against the guarantors thereof.

The Leases are sold, transferred, conveyed, assigned, and set over unto Lender subject to the Permitted Exceptions and the Loan Documents.

IN WITNESS WHEREOF, and intending to be legally bound hereby, Borrower has executed and delivered this Assignment and Acceptance of Leases as of the date set forth below.

Date: _____, 2010.

"BORROWER"

DAVID A. LEWIS

ACCEPTANCE

Lender hereby accepts the foregoing assignment as of the Closing Date and assumes Borrower's obligations under the Leases to the extent such obligations accrue after the Closing Date provided, however, Lender does not accept Borrower's obligation to return any security deposit (and interest thereon) unless Lender concurrently with its execution and delivery of the foregoing Assignment delivers to Borrower such security deposit and interest, if any, required to be accrued thereon by the Lease in question or applicable law.

Date: _____

CITY OF SUNNYVALE
A Municipal Corporation

By _____
Gary Luebbers, City Manager

APPROVED AS TO FORM & LEGALITY

David Kahn, City Attorney

By _____

EXHIBIT J

NON-FOREIGN STATUS CERTIFICATE

To inform the City of Sunnyvale, a municipal corporation ("Transferee"), that withholding under Section 1445 of the Internal Revenue Code of 1986, as amended (the "Code"), will not be required upon the transfer of certain real property legally described on Schedule 1 attached hereto to the Transferee by the undersigned ("Transferor"), Transferor hereby certifies to Transferee that:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, foreign estate, or foreign person (as those terms are defined in the Code and the regulations promulgated thereunder);
2. Transferor's U.S. Employer Identification Number is _____; and
3. The address of Transferor is _____.

Transferor understands that Transferee is relying on this Certification in determining whether withholding is required upon said transfer, that this Certification may be disclosed to the Internal Revenue Service by Transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury, the individual executing this Certification on behalf of Transferor declares that he has examined this Certification and to the best of his knowledge and belief it is true, correct, and complete, and he further declares that he has authority to sign this document on behalf of Transferor.

Date: _____, 2010

TRANSFEROR:

David Lewis _____, a[n] individual _____

By: _____

EXHIBIT K

DEED IN LIEU OF FORECLOSURE CERTIFICATE

DAVID A. LEWIS, an individual ("Seller" or "Borrower"), represents and warrants to CITY OF SUNNYVALE, a Municipal Corporation ("Buyer" or "Lender"), and their respective successors and assigns, as follows:

1. Seller and Lender are parties to a certain Deed in Lieu of Foreclosure Agreement of even date herewith ("Agreement"). Unless otherwise defined in this Certificate, all capitalized terms shall have the meanings ascribed to them in the Agreement.

2. Seller executed and delivered, or is contemporaneously with its execution and delivery hereof, executing, a certain deed dated _____, 2010 (the "Deed"), and other documents, conveying the Property to Buyer.

3. The Deed was executed and delivered pursuant to the Agreement.

4. The Deed was intended to be and is an absolute conveyance of title to the Real Estate to Buyer in effect as well as in form; the Deed was not and is not intended to serve or operate as a mortgage, deed to secure debt, security agreement, trust conveyance, deed of trust, lien, security interest, or security of any kind; Seller, by virtue of the Deed, the Agreement, and the other Borrower Documents, waived, relinquished, and gave up any and all right, title, and interest, legal, equitable, or otherwise in the Property; the consideration for the Deed was and is for the benefit of Seller and consists of Lender's execution and delivery of the Covenant Not to Sue and Consent of Spouse, Marsha Lewis.

5. The Deed was executed and delivered as the result of the Seller's request and was the free and voluntary act of Seller; Seller has no creditors whose rights would be prejudiced by the Deed; Seller's execution and delivery of the Agreement and the other Borrower Documents is not the result of duress or undue influence, intimidation, misapprehension, bad faith, unconscionable conduct, overreaching conduct, or misrepresentation by Buyer, or any agent, attorney, or any other representative of Buyer; Seller has been represented by legal counsel of its own choosing throughout the transactions contemplated or referenced in the Agreement.

6. Except as disclosed in Schedule 1 attached hereto, no work, labor, or materials have been supplied to the Property upon which anyone could base a mechanics' lien, equitable lien, or any other type of lien against the Property which has not been fully paid for.

7. Buyer has not taken advantage of Seller by threats, duress, intimidation, overreaching conduct, unconscionable conduct, bad faith, or otherwise, and Seller, by executing and delivering the Agreement, the Deed, and the other Borrower Documents, acted freely and voluntarily, and not under coercion or duress; Seller is proceeding with the transaction contemplated by the Agreement as a volunteer pursuant to what it perceives to be in its own best interest. Seller understands that the transactions contemplated by the Agreement may have adverse tax consequences and has consulted with such tax, legal, and accounting advisors with respect to such consequences as it has deemed advisable.

8. After consummation of the transaction contemplated by the Agreement, the assets of Seller at fair value will equal or exceed the sum of its debts. The value of the Property does not equal or exceed the indebtedness evidenced by the Loan Documents.

9. This Certificate is made to induce Buyer to accept the Deed, is made for the protection and benefit of Buyer and their successors, grantees, and assigns, any title insurers who may now or hereafter insure Buyer's respective interests in the Property, and all other parties hereafter dealing with or who may acquire any interest in the Property, all of whom may rely on this Certificate.

DATED: _____, 2010.

DAVID A. LEWIS

EXHIBIT L

LEASE AGREEMENT

Residential Lease

This is intended to be a legally binding agreement-read it carefully.
Based on California Association of Realtors (CAR) Standard form.

Sunnyvale, California

City of Sunnyvale (Landlord) and David Lewis and Marsha H. Lewis (Tenant) agree as follows:

1. PROPERTY: Landlord leases to Tenant and Tenant hires from Landlord the "Premises" described as 715 San Conrado Terrace, #6, Sunnyvale, CA 94085. and also includes: All built-ins, and Refrigerator, Washer, Dryer.

2. TERM: This lease shall be for 20 day term beginning August 1, 2010, terminating on August 20, 2010. Tenant will give the Landlord a 30-day notice prior to vacating the premises if not vacated by August 20, 2010

3. RENT: The monthly rent for the period August 1, 2010 through August 20, 2010 shall be \$1,600.00 per month, with a daily rate of \$53.33 for total rental of \$1,066.00. If Tenant occupies the Property after August 20, then a daily rate of \$53.33 shall be applied and deducted from the security deposit. The monthly rent to be due on the 1st. day of each month and shall be deemed late if not received by the 5th day of each month.

4. LATE CHARGE: Tenant acknowledges that late payment of rent may cause Landlord to incur costs and expenses, the exact amount of such costs being extremely difficult and impractical to fix. Such costs may include, but are not limited to, processing and accounting expenses, late charges that may be imposed on Landlord by terms of any loan secured by the property, costs for additional attempts to collect rent, and preparation of notices. Therefore if any installment of rent due from Tenant is not received by Landlord within five calendar days after date due, Tenant shall pay to Landlord five percent (5%) of rent as a late charge which shall be deemed additional rent. The Parties agree that this late charge represents a fair and reasonable estimate of costs that the Landlord may incur by reason of tenant's late payments. Acceptance of any late charge shall not constitute a waiver of Tenant's default with respect to the past due amount, or prevent Landlord from exercising any other rights and remedies under this agreement, and as provided by law.

5. PAYMENT: Rent to be paid to Landlord at P.O. Box 3707, Sunnyvale, CA 94088-3707 or via electronic funds transfer to Landlord's bank account. 408-730-7416 is the number to call with any questions..

6. SECURITY DEPOSIT: The Security Deposit is \$1,000.00. Landlord may use therefrom, such amounts as are reasonably necessary to remedy Tenant's default in the payment of rent, to repair damages caused by Tenant, or by a guest or a licensee of the Tenant, to clean the premises, if necessary, upon termination of tenancy, and to replace or return personal property or appurtenances exclusive of ordinary wear and tear. If used toward rent or damages during the term of tenancy, Tenant agrees to reinstate said total security deposit upon five days written notice delivered to Tenant in person or by mail. No later than two weeks after the Tenant has vacated the premises, the landlord shall furnish the Tenant with an itemized written statement of the basis for and the amount of, any security received and the disposition of the security and shall return any remaining portion of the security to the Tenant.

7. UTILITIES: Tenant agrees to pay all utilities based on occupancy and HOA dues of \$323.00.

8. CONDITION: Tenant has examined the premises and all furniture, furnishings and appliance if any, and including smoke detectors, contained therein, and shall submit a list of items found not to be in working order and to note any damage that already exist to the property to protect himself from any charges for damage that he is not responsible for. He will receive the property in clean and in operative condition.

9. OCCUPANTS: The premises are for the sole use as a residence by the above named only.

10. PETS: None. Pets are not allowed in this unit without prior written consent of Landlaord, and may result in a higher security deposit.

11. USE: Tenant shall not disturb, annoy, endanger or interfere with neighbors, nor use the premises for any unlawful purposes, nor violate any law or ordinance, not commit waste or nuisance upon or about the premises.

13. MAINTENANCE: Tenant shall properly use and operate all furniture, furnishings and appliances, electrical, gas and plumbing fixtures and keep them as clean and sanitary as their conditions permits. Excluding ordinary wear and tear, Tenant shall notify landlord and pay for all repairs or replacements caused by Tenant or Tenant's invitees' negligence or misuse. Tenant's personal property is not insured by Landlord. Landlord will provide a biweekly gardening service.

14. ALTERATIONS: Tenant shall not paint, wallpaper, paint or change locks or make alterations to the property without Landlord's prior written consent.

15. KEYS: Tenant acknowledges receipt of 2 sets of house keys to the premises, a pool key, garage door key, 2 remote control door openers and mail box keys..

16. ENTRY TO PREMISES: Upon not less that 24 hours notice, Tenant shall make the premises available during normal business hours to Landlord, authorized agent or representative, for the purpose of entering to make necessary or agreed repairs, or supply necessary or agreed services, or show the premises to prospective or actual purchasers, mortgagees, tenants, or contractors. In an emergency, Landlord, authorized agent or representative may enter the premises, at any time, without prior permission from Tenant.

17. ASSIGNMENT & SUBLETTINGS: Tenant shall not let or sublet all or any part of the premises nor assign this agreement or any interest in it without the prior written consent of Landlord.

18. POSSESSION: If Tenant abandons or vacates the premises, Landlord may terminate this agreement and regain lawful possession.

19. BREACH OF CONTRACT: EARLY TERMINATION. In the event of termination by Tenant prior to completion of the original term of the Agreement, Tenant shall also be responsible for lost Rent, advertising, painting and other expenses related to re-rental. Landlord may withhold any such amounts from Tenant's security deposit.

20. WAIVER: The waiver of any breach shall not be construed to be a continuing waiver of any subsequent breach.

21. DAMAGE TO PREMISES: If, by no fault of Tenant, Premises are totally or partially damaged or destroyed by fire, earthquake, accident or other casualty that render Premises totally or partially uninhabitable, either Landlord or Tenant may terminate this Agreement by giving the other written notice. Rent shall be abated as of the date Premises becomes totally or partially uninhabitable. Landlord shall promptly repair the damage and Rent shall be reduced based on the extent to which the damage interferes with Tenant's reasonable use of Premises. If damage occurs as a result of Tenant or Tenant's guests, only Landlord shall have the right of termination, and no reduction in Rent shall be made.

22. NOTICE: Notices may be served upon Landlord or Manager at same address as above.

23. ESTOPPEL CERTIFICATE: If requested by Landlord, within 10 days after written notice, Tenant agrees to execute and deliver an Estoppel Certificate as submitted by landlord acknowledging that this agreement is unmodified and in full force and effect or in full force and efficiency as modified and stating the modifications. Failure to comply shall be deemed Tenant's acknowledgement that the certificate is true and correct and maybe relied upon by lender or purchaser.

24. ADDITIONAL TERMS AND CONDITIONS: Tenant shall abide by rules of the Homeowners Association, for which receipt of Bylaws is acknowledged.

25. ENTIRE CONTRACT: Time is of the essence. All prior agreements between parties are incorporated in this agreement which constitutes the entire contract. Its terms are intended by the parties as a final expression of their agreement with respect to such terms as are included herein and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. The parties further intend that this agreement constitutes the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever may be introduced in any judicial or other proceeding, if any, involving this agreement.

26. ATTORNEY'S FEES: In any action or proceeding arising out of this agreement, the prevailing party shall be entitled to reasonable attorney's fees and costs

27. ACKNOWLEDGEMENT: The undersigned have read the foregoing prior to execution and acknowledge receipt of a copy

Tenant _____
David Lewis

Tenant _____
Marsha H. Lewis

Landlord _____
City of Sunnyvale

By: _____
Its: _____

- Exhibits:
A – Inventory List
B – Fair Oaks Place CCR's
C – Disclosure Form for Housing Rentals and Leases

EXHIBIT "A"

Inventory of 715 San Conrado Terrace, #6
Sunnyvale, CA 94086

Dated: June _____, 2010

List:

EXHIBIT "B"

**Fair Oaks Place Homeowners Association
Conditions, Covenants and Restrictions (CC&R's)**

Tenant has received a copy of the CC&R's

EXHIBIT "C"

**Disclosure Form for Housing Rentals and Leases
Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint
Hazards**

Lead Warning Statement

Housing built before 1978 may contain lead-based paint. Lead from paint, paint chips, and dust can pose health hazards if not managed properly. Lead exposure is especially harmful to young children and pregnant women. Before renting pre-1978 housing, lessors must disclose the presence of known lead-based paint and/or lead-based paint hazards in the dwelling. Lessees must also receive a federally approved pamphlet on lead poisoning prevention.

Lessor's Disclosure (initial)

_____ (a) Presence of lead-based paint or lead-based paint hazards (check one below):

- Known lead-based paint and/or lead-based paint hazards are present in the housing (explain).

- Lessor has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

_____ (b) Records and reports available to the lessor (check one below):

- Lessor has provided the lessee with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below).

- Lessor has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Lessee's Acknowledgment (initial)

_____ (c) Lessee has received copies of all information listed above.

_____ (d) Lessee has received the pamphlet *Protect Your Family From Lead in Your Home*.

Agent's Acknowledgment (initial)

_____ (e) Agent has informed the lessor of the lessor's obligations under 42 U.S.C. 4852d and is aware of his/her responsibility to ensure compliance.

Protect Your Family from Lead in Your Home

**United States Environmental Protection Agency
United States Consumer Product Safety Commission
United States Department of Housing and Urban Development**

Simple Steps To Protect Your Family From Lead Hazards

If you think your home has high levels of lead:

- **Get your young children tested for lead, even if they seem healthy.**
- **Wash children's hands, bottles, pacifiers, and toys often.**
- **Make sure children eat healthy, low-fat foods.**
- **Get your home checked for lead hazards.**
- **Regularly clean floors, window sills, and other surfaces.**
- **Wipe soil off shoes before entering house.**
- **Talk to your landlord about fixing surfaces with peeling or chipping paint.**
- **Take precautions to avoid exposure to lead dust when remodeling or renovating (call 1-800-424-LEAD for guidelines).**
- **Don't use a belt-sander, propane torch, high temperature heat gun, scraper, or sandpaper on painted surfaces that may contain lead.**
- **Don't try to remove lead-based paint yourself.**

Are You Planning To Buy, Rent, or Renovate a Home Built Before 1978?

Many houses and apartments built before 1978 have paint that contains high levels of lead (called leadbased paint). Lead from paint, chips, and dust can pose serious health hazards if not taken care of properly.

OWNERS, BUYERS, and RENTERS are encouraged to check for lead (see page 2) before renting, buying or renovating pre-1978 housing.

Federal law requires that individuals receive certain information before renting, buying, or renovating pre-1978 housing:

LANDLORDS have to disclose known information on lead-based paint and lead-based paint hazards before leases take effect. Leases must include a disclosure about lead-based paint.

SELLERS have to disclose known information on lead-based paint and lead-based paint hazards before selling a house. Sales contracts must include a disclosure about lead-based paint. Buyers have up to 10 days to check for lead.

RENOVATORS disturbing more than 2 square feet of painted surfaces have to give you this pamphlet before starting work.

IMPORTANT!

Lead From Paint, Dust, and Soil Can Be Dangerous If Not Managed Properly

- **FACT: Lead exposure can harm young children and babies even before they are born.**
- **FACT: Even children who seem healthy can have high levels of lead in their bodies.**
- **FACT: People can get lead in their bodies by breathing or swallowing lead dust, or by eating soil or paint chips containing lead.**
- **FACT: People have many options for reducing lead hazards. In most cases, lead-based paint that is in good condition is not a hazard.**
- **FACT: Removing lead-based paint improperly can increase the danger to your family. If you think your home might have lead hazards, read this pamphlet to learn some simple steps to protect your family.**

Lead Gets in the Body in Many Ways

People can get lead in their body if they:

- **Breathe in lead dust (especially during renovations that disturb painted surfaces).**
- **Put their hands or other objects covered with lead dust in their mouths.**
- **Eat paint chips or soil that contains lead.**

Lead is even more dangerous to children under the age of 6:

- **At this age children's brains and nervous systems are more sensitive to the damaging effects of lead.**
- **Children's growing bodies absorb more lead.**
- **Babies and young children often put their hands and other objects in their mouths. These objects can have lead dust on them.**
- **Lead is also dangerous to women of childbearing age:**
- **Women with a high lead level in their system prior to pregnancy would expose a fetus to lead through the placenta during fetal development.**

Childhood lead poisoning remains a major environmental health problem in the U.S. Even children who appear healthy can have dangerous levels of lead in their bodies.

Lead's Effects

It is important to know that even exposure to low levels of lead can severely harm children.

In children, lead can cause:

- **Nervous system and kidney damage.**
- **Learning disabilities, attention deficit disorder, and decreased intelligence.**

- **Speech, language, and behavior problems.**
- **Poor muscle coordination.**
- **Decreased muscle and bone growth.**
- **Hearing damage.**

While low-lead exposure is most common, exposure to high levels of lead can have devastating effects on children, including seizures, unconsciousness, and, in some cases, death.

Although children are especially susceptible to lead exposure, lead can be dangerous for adults too.

In adults, lead can cause:

- **Increased chance of illness during pregnancy.**
- **Harm to a fetus, including brain damage or death.**
- **Fertility problems (in men and women).**
- **High blood pressure.**
- **Digestive problems.**
- **Nerve disorders.**
- **Memory and concentration problems.**
- **Muscle and joint pain.**

Lead affects the body in many ways: Brain or Nerve Damage, Slowed Growth, Hearing Problems, Reproductive Problems (adults), Digestive Problems.

Where Lead-Based Paint Is Found

Many homes built before 1978 have leadbased paint. The federal government banned lead-based paint from housing in 1978. Some states stopped its use even earlier. Lead can be found:

- **In homes in the city, country, or suburbs.**
- **In apartments, single-family homes, and both private and public housing.**
- **Inside and outside of the house.**
- **In soil around a home. (Soil can pick up lead from exterior paint or other sources such as past use of leaded gas in cars.)**

In general, the older your home, the more likely it has leadbased paint.

Checking Your Family for Lead

To reduce your child's exposure to lead, get your child checked, have your home tested (especially if your home has paint in poor condition and was built before 1978), and fix any hazards you may have.

Children's blood lead levels tend to increase rapidly from 6 to 12 months of age, and tend to peak at 18 to 24 months of age. Consult your doctor for advice on testing your children. A simple blood test can detect high levels of lead. Blood tests are usually recommended for:

- Children at ages 1 and 2.
- Children or other family members who have been exposed to high levels of lead.
- Children who should be tested under your state or local health screening plan. Your doctor can explain what the test results mean and if more testing will be needed.

Get your children and home tested if you think your home has high levels of lead.

Identifying Lead Hazards

Lead-based paint is usually not a hazard if it is in good condition, and it is not on an impact or friction surface, like a window. It is defined by the federal government as paint with lead levels greater than or equal to 1.0 milligram per square centimeter, or more than 0.5% by weight.

Deteriorating lead-based paint (peeling, chipping, chalking, cracking or damaged) is a hazard and needs immediate attention. It may also be a hazard when found on surfaces that children can chew or that get a lot of wear-and-tear, such as:

- Windows and window sills.
- Doors and door frames.
- Stairs, railings, banisters, and porches.

Lead dust can form when lead-based paint is scraped, sanded, or heated. Dust also forms when painted surfaces bump or rub together. Lead chips and dust can get on surfaces and objects that people touch. Settled lead dust can re-enter the air when people vacuum, sweep, or walk through it. The following two federal standards have been set for lead hazards in dust:

- 40 micrograms per square foot ($\mu\text{g}/\text{ft}^2$) and higher for floors, including carpeted floors.
- 250 $\mu\text{g}/\text{ft}^2$ and higher for interior window sills. Lead in soil can be a hazard when children play in bare soil or when people bring soil into the house on their shoes.

The following two federal standards have been set for lead hazards in residential soil:

- 400 parts per million (ppm) and higher in play areas of bare soil.
- 1,200 ppm (average) and higher in bare soil in the remainder of the yard.

The only way to find out if paint, dust and soil lead hazards exist is to test for them. The next page describes the most common methods used.

Lead from paint chips, which you can see, and lead dust, which you can't always see, can both be serious hazards.

Checking Your Home for Lead

You can get your home tested for lead in several different ways:

- **A paint inspection tells you whether your home has lead-based paint and where it is located. It won't tell you whether or not your home currently has lead hazards.**
- **A risk assessment tells you if your home currently has any lead hazards from lead in paint, dust, or soil. It also tells you what actions to take to address any hazards.**
- **A combination risk assessment and inspection tells you if your home has any lead hazards and if your home has any lead-based paint, and where the lead-based paint is located. Hire a trained and certified testing professional who will use a range of reliable methods when testing your home.**
- **Visual inspection of paint condition and location.**
- **A portable x-ray fluorescence (XRF) machine.**
- **Lab tests of paint, dust, and soil samples.**

There are state and federal programs in place to ensure that testing is done safely, reliably, and effectively. Contact your state or local agency (see pages 3 and 4) for more information, or call 1-800-424-LEAD (5323) for a list of contacts in your area.

Home test kits for lead are available, but may not always be accurate. Consumers should not rely on these kits before doing renovations or to assure safety.

Just knowing that a home has leadbased paint may not tell you if there is a hazard.

What You Can Do Now To Protect Your Family

If you suspect that your house has lead hazards, you can take some immediate steps to reduce your family's risk:

- **If you rent, notify your landlord of peeling or chipping paint.**
- **Clean up paint chips immediately.**
- **Clean floors, window frames, window sills, and other surfaces weekly. Use a mop or sponge with warm water and a general all-purpose cleaner or a cleaner made specifically for lead. REMEMBER: NEVER MIX AMMONIA AND BLEACH PRODUCTS TOGETHER SINCE THEY CAN FORM A DANGEROUS GAS.**
- **Thoroughly rinse sponges and mop heads after cleaning dirty or dusty areas.**
- **Wash children's hands often, especially before they eat and before nap time and bed time.**
- **Keep play areas clean. Wash bottles, pacifiers, toys, and stuffed animals regularly.**
- **Keep children from chewing window sills or other painted surfaces.**
- **Clean or remove shoes before entering your home to avoid tracking in lead from soil.**
- **Make sure children eat nutritious, low-fat meals high in iron and calcium, such as spinach and dairy products. Children with good diets absorb less lead.**

Reducing Lead Hazards In The Home

In addition to day-to-day cleaning and good nutrition:

- You can temporarily reduce lead hazards by taking actions such as repairing damaged painted surfaces and planting grass to cover soil with high lead levels. These actions (called “interim controls”) are not permanent solutions and will need ongoing attention.
- To permanently remove lead hazards, you should hire a certified lead “abatement” contractor. Abatement (or permanent hazard elimination) methods include removing, sealing, or enclosing lead-based paint with special materials. Just painting over the hazard with regular paint is not permanent removal.
- Always hire a person with special training for correcting lead problems—someone who knows how to do this work safely and has the proper equipment to clean up thoroughly. Certified contractors will employ qualified workers and follow strict safety rules as set by their state or by the federal government.
- Once the work is completed, dust cleanup activities must be repeated until testing indicates that lead dust levels are below the following:
 - 40 micrograms per square foot ($\mu\text{g}/\text{ft}^2$) for floors, including carpeted floors;
 - 250 $\mu\text{g}/\text{ft}^2$ for interior windows sills; and
 - 400 $\mu\text{g}/\text{ft}^2$ for window troughs.

Call your state or local agency (see bottom of page 11) for help in locating certified professionals in your area and to see if financial assistance is available.

Removing lead improperly can increase the hazard to your family by spreading even more lead dust around the house. Always use a professional who is trained to remove lead hazards safely.

Remodeling or Renovating a Home With Lead-Based Paint

Take precautions before your contractor or you begin remodeling or renovating anything that disturbs painted surfaces (such as scraping off paint or tearing out walls):

- Have the area tested for lead-based paint.
- Do not use a belt-sander, propane torch, high temperature heat gun, dry scraper, or dry sandpaper to remove lead-based paint. These actions create large amounts of lead dust and fumes. Lead dust can remain in your home long after the work is done.
- Temporarily move your family (especially children and pregnant women) out of the apartment or house until the work is done and the area is properly cleaned. If you can’t move your family, at least completely seal off the work area.
- Follow other safety measures to reduce lead hazards. You can find out about other safety measures by calling 1-800-424-LEAD. Ask for the brochure “Reducing Lead Hazards When Remodeling Your Home.” This brochure explains what to do before, during, and after renovations.

If you have already completed renovations or remodeling that could have released lead-based paint or dust, get your young children tested and follow the steps outlined on page 7 of this brochure.

If not conducted properly, certain types of renovations can release lead from paint and dust into the air.

Other Sources of Lead

- **Drinking water.** Your home might have plumbing with lead or lead solder. Call your local health department or water supplier to find out about testing your water. You cannot see, smell, or taste lead, and boiling your water will not get rid of lead. If you think your plumbing might have lead in it:
 - Use only cold water for drinking and cooking.
 - Run water for 15 to 30 seconds before drinking it, especially if you have not used your water for a few hours.
- **The job.** If you work with lead, you could bring it home on your hands or clothes. Shower and change clothes before coming home. Launder your work clothes separately from the rest of your family's clothes.
- **Old painted toys and furniture.**
- **Food and liquids stored in lead crystal or lead-glazed pottery or porcelain.**
- **Lead smelters or other industries that release lead into the air.**
- **Hobbies that use lead, such as making pottery or stained glass, or refinishing furniture.**
- **Folk remedies that contain lead, such as "greta" and "azarcon" used to treat an upset stomach.**

While paint, dust, and soil are the most common sources of lead, other lead sources also exist.

For More Information

The National Lead Information Center

- Call 1-800-424-LEAD (424-5323) to learn how to protect children from lead poisoning and for other information on lead hazards. To access lead information via the web, visit www.epa.gov/lead and www.hud.gov/offices/lead/.

EPA's Safe Drinking Water Hotline

- Call 1-800-426-4791 for information about lead in drinking water.

Consumer Product Safety Commission (CPSC) Hotline

- To request information on lead in consumer products, or to report an unsafe consumer product or a product-related injury call 1-800-638-2772, or visit CPSC's Web site at: www.cpsc.gov.

Health and Environmental Agencies

- Some cities, states, and tribes have their own rules for lead-based paint activities. Check with your local agency to see which laws apply to you. Most agencies can also provide information on finding a lead abatement firm in your area, and on possible sources of financial aid for reducing lead hazards. Receive up-to-date address and phone information for your local contacts on the Internet at www.epa.gov/lead or contact the National Lead Information Center at 1-800-424-LEAD.

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EXHIBIT M

GENERAL RELEASE

FOR AND IN CONSIDERATION OF THE SUM OF TEN AND NO/100 DOLLARS (\$10.00), in hand paid, and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, pursuant to that certain Deed in Lieu of Foreclosure Agreement dated as of _____, 2010 (the "Agreement"), between DAVID A. LEWIS, an individual ("Borrower"), and CITY OF SUNNYVALE, a Municipal Corporation ("Lender"), Borrower does hereby forever release and discharge Lender, and their successors, assigns, and past, present, and future affiliates, partners, participants, members, officers, directors, employees, shareholders, attorneys, and agents from any and all liabilities, duties, responsibilities, obligations, claims, demands, actions, causes of action, cases, controversies, damages, costs, losses, and expenses now existing or hereafter arising out of or in any way relating to or connected with, directly or indirectly, the "Property" (as defined in the Agreement) or the "Loan" (as defined in the Agreement), excluding, however, those specific matters or obligations of Lender and Buyer arising under the specific terms of the "Borrower Documents" (as defined in the Agreement).

Date: _____, 2010.

"BORROWER"

DAVID A. LEWIS

EXHIBIT N

EXPENSES OF CLOSING



First American Title Company

12772 Saratoga-Sunnyvale Road, Suite 200 • Saratoga, CA 95070

Estimated Settlement Statement

Property: 715 San Cornado Terrace #6, Sunnyvale, CA 94085

File No: 4307-3511172

Officer: Zack Felder/zf

New Loan No:

Settlement Date:

Disbursement Date: 07/29/2010

Print Date: 6/23/2010, 7:48 AM

Buyer:

Address:

Seller: David A. Lewis

Address: 715 San Cornado Terrace #6, Sunnyvale, CA 94085

Buyer Charge	Buyer Credit	Charge Description	Seller Charge	Seller Credit
350,000.00		Consideration: Total Consideration		350,000.00
		Adjustments:		
350.00		Reimbursement to Seller for Inspection Report		350.00
62.50		Reimbursement to Seller for Notary Fees		62.50
		Prorations:		
	1,083.87	Rents 07/30/10 to 08/20/10 @\$1600.00/mo	1,083.87	
	381.61	County Tax 07/01/10 to 07/29/10 @\$4974.50/yr	381.61	
		Commission:		
		Commission Paid at Settlement to Investment Network	1,000.00	
		New Loan(s):		
		Title/Escrow Charges to:		
		Eagle Owners Policy to First American Title Company	1,187.00	
		Notary/Signing Fee to TBD	125.00	
		Escrow Fee to First American Title Company	1,000.00	
21.00		Record Deed to First American Title Company		
		County Documentary Transfer Tax to First American Title Company	385.00	
		Disbursements Paid:		
		NHD Report to JCP-LGS Reports Natural Hazard Disclosures	123.95	
		Security Deposit to First American Title	1,000.00	
	348,968.02	Cash (X From) (To) Borrower		
		Cash (X To) (From) Seller	344,126.07	
350,433.50	350,433.50	Totals	350,412.50	350,412.50