



**PRDS® DISCLOSURE REGARDING REAL ESTATE  
AGENCY RELATIONSHIPS (Page 1 of 2)  
(As required by the Civil Code)**



When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent(s) in the transaction.

**FORM NEEDS TO BE COMPLETED AND PROVIDED AS FOLLOWS:**

- |  |   |
|--|---|
| a) Listing Agent to the Seller before entering into a listing agreement; | b) Buyer's Agent to the Buyer as soon as practicable before signing an offer;                                       |
| c) Buyer's Agent to the Seller before presenting an offer;               | d) Listing Agent, when acting as a dual agent, to the Buyer as soon as practicable before the Buyer signs an offer. |

**SELLER'S AGENT**

A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or a subagent of that agent has the following affirmative obligations:  
To the Seller:

A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Seller.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the Property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

**BUYER'S AGENT**

A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations:

To the Buyer:

A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Buyer.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

**AGENT REPRESENTING BOTH SELLER AND BUYER**

A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer.

In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:

- (a) A fiduciary duty of utmost care, integrity, honesty, and loyalty in the dealings with either the Seller or the Buyer.
- (b) Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, the agent may not, without the express permission of the respective party, disclose to the other party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered.

The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction.

This disclosure form includes the provisions of Section 2079.13 to 2079.24, inclusive, of the Civil Code set forth on the reverse side hereof. Read it carefully.

**If the transaction involves one-to-four dwelling residential property(s), including a mobile home, this Disclosure form must be provided in a listing, sale, exchange, installment land contract, or lease over one year.**

**I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE.**

BUYER  SELLER Andrea Morokutti Date 07/16/2010 Time 8:00  AM  PM

Andrea Newcomb Morokutti

BUYER  SELLER Nikolas Morokutti Date 07/16/2010 Time 8:00  AM  PM

Nikolas Morokutti

AGENT Alain Pinel Realtos by Bea Sines Date 07/16/2010 Time 8:00  AM  PM

(Associate Licensee or Broker-Signature)

BUYER'S AGENT \_\_\_\_\_ by \_\_\_\_\_ Date \_\_\_\_\_ Time \_\_\_\_\_  AM  PM  
(before presenting offer) (Associate Licensee or Broker-Signature)

SELLER \_\_\_\_\_ Date \_\_\_\_\_ Time \_\_\_\_\_  AM  PM

(before presentation of offer)

SELLER \_\_\_\_\_ Date \_\_\_\_\_ Time \_\_\_\_\_  AM  PM

(before presentation of offer)

CHAPTER 2 OF TITLE 9 OF PART 4 OF DIVISION 3 OF THE CIVIL CODE

- 2079.13 As used in Sections 2079.14 to 2079.24, inclusive, the following terms have the following meanings:
- (a) "Agent" means a person acting under provisions of Title 9 (commencing with Section 2295) in a real property transaction, and includes a person who is licensed as a real estate broker under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code, and under whose license a listing is executed or an offer to purchase is obtained.
  - (b) "Associate licensee" means a person who is licensed as a real estate broker or salesperson under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code and who is either licensed under a broker or has entered into a written contract with a broker to act as the broker's agent in connection with acts requiring a real estate license and to function under the broker's supervision in the capacity of an associate licensee. The agent in the real property transaction bears responsibility for his or her associate licensees who perform as agents of the agent. When an associate licensee owes a duty to any principal, or to any buyer or seller who is not a principal, in a real property transaction, that duty is equivalent to the duty owed to that party by the broker for whom the associate licensee functions.
  - (c) "Buyer" means a transferee in a real property transaction, and includes a person who executes an offer to purchase real property from a seller through an agent, or who seeks the services of an agent in more than a casual, transitory, or preliminary manner, with the object of entering into a real property transaction. "Buyer" includes vendee or lessee.
  - (d) "Dual agent" means an acting agent, either directly or through an associate licensee, as agent for both the seller and the buyer in a real property transaction.
  - (e) "Listing agreement" means a contract between an owner of real property and an agent, by which the agent has been authorized to sell the real property or to find or obtain a buyer.
  - (f) "Listing agent" means a person who has obtained a listing of real property to act as an agent for compensation.
  - (g) "Listing price" is the amount expressed in dollars specified in the listing for which the seller is willing to sell the real property through the listing agent.
  - (h) "Offering price" is the amount expressed in dollars specified in an offer to purchase for which the buyer is willing to buy the real property.
  - (i) "Offer to purchase," means a written contract executed by a buyer acting through a selling agent which becomes the contract for the sale of the real property upon acceptance by the seller.
  - (j) "Real property" means any estate specified by subdivision (1) or (2) of Section 761 in property which constitutes or is improved with one to four dwelling units, any leasehold in this type of property exceeding one year's duration, and mobile homes, when offered for sale or sold through an agent pursuant to the authority contained in Section 10131.6 of the Business and Professions Code.
  - (k) "Real property transaction" means a transaction for the sale of real property in which an agent is employed by one or more of the principals to act in that transaction, and includes a listing or an offer to purchase.
  - (l) "Sell", "sale", or "sold" refers to a transaction for the transfer of real property from the seller to the buyer, and includes exchanges of real property between the seller and the buyer, transactions for the creation of a real property sales contract within the meaning of Section 2985, and transactions for the creation of a leasehold exceeding one year's duration.
  - (m) "Seller" means the transferor in a real property transaction, and includes an owner who lists real property with an agent, whether or not a transfer results, or who receives an offer to purchase real property of which he or she is the owner from an agent of behalf of another. "Seller" includes both a vendor and a lessor.
  - (n) "Selling agent" means a listing agent who acts alone, or an agent who acts in cooperation with a listing agent, and who sells or finds and obtains a buyer for the real property, or an agent who locates property for a buyer or who finds a buyer for a property for which no listing exists and presents an offer to purchase to the seller.
  - (o) "Subagent" means a person to whom an agent delegates agency powers as provided in Article 5 (commencing with Section 2349) of Chapter 1 of Title 9. However, "subagent" does not include an associate licensee who is acting under the supervision of an agent in a real property transaction.
- 2079.14 Listing agents and selling agents shall provide the seller and buyer in a real property transaction with a copy of the disclosure form specified in Section 2079.16, and, except as provided in subdivision (c), shall obtain a signed acknowledgment of receipt from that seller or buyer, except as provided in this section or Section 2079.15, as follows:
- (a) The listing agent, if any, shall provide the disclosure form to the seller prior to entering into the listing agreement.
  - (b) The selling agent shall provide the disclosure form to the seller as soon as practicable prior to presenting the seller with an offer to purchase, unless the selling agent previously provided the seller with a copy of the disclosure form pursuant to subdivision (a).
  - (c) Where the selling agent does not deal on a face-to-face basis with the seller, the disclosure form prepared by the selling agent may be furnished to the seller (and acknowledgment of receipt obtained for the selling agent from the seller) by the listing agent, or the selling agent may deliver the disclosure form by certified mail addressed to the seller at his or her last known address, in which case no signed acknowledgment of receipt is required.
  - (d) The selling agent shall provide the disclosure form to the buyer as soon as practicable prior to execution of the buyer's offer to purchase, except that if the offer to purchase is not prepared by the selling agent, the selling agent shall present the disclosure form to the buyer not later than the next business day after the selling agent receives the offer to purchase from the buyer.
- 2079.15 In any circumstance in which the seller or buyer refuses to sign an acknowledgment of receipt pursuant to Section 2079.14, the agent, or an associate licensee acting for an agent, shall set forth, sign, and date a written declaration of the facts of the refusal.
- 2079.17
- (a) As soon as practicable, the selling agent shall disclose to the buyer and seller whether the selling agent is acting in the real property transaction exclusively as the buyer's agent, exclusively as the seller's agent, or as a dual agent representing both the buyer and the seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller, the buyer, and the selling agent prior to or coincident with execution of that contract by the buyer and the seller, respectively.
  - (b) As soon as practicable, the listing agent shall disclose to the seller whether the listing agent is acting in the real property transaction exclusively as the seller's agent, or as a dual agent representing both the buyer and the seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller and the listing agent prior to or coincident with the execution of that contract by the seller.
  - (c) The confirmation required by subdivisions (a) and (b) shall be in the following form:
- |  |  |
|--|--|
| <p><b>Example Only</b> is the agent of (check one):</p> <p>(Name of Listing Agent)</p> <p><input type="checkbox"/> the seller exclusively; or <input type="checkbox"/> both the buyer and the seller. <input type="checkbox"/> the buyer exclusively; or</p> | <p><b>Example Only</b> is the agent of (check one):</p> <p>(Name of Selling Agent if not the same as the Listing Agent)</p> <p><input type="checkbox"/> the seller exclusively; or <input type="checkbox"/> both the buyer and the seller.</p> |
|--|--|
- (d) The disclosures and confirmation required by this section shall be in addition to the disclosure required by Section 2079.14.
- 2079.18 No selling agent in a real property transaction may act as an agent for the buyer only, when the selling agent is also acting as the listing agent in the transaction.
- 2079.19 The payment of compensation or the obligation to pay compensation to an agent by the seller or buyer is not necessarily determinative of a particular agency relationship between an agent and the seller or buyer. A listing agent and a selling agent may agree to share any compensation or commission paid, or any right to any compensation or commission for which an obligation arises as the result of a real estate transaction, and the terms of any such agreement shall not necessarily be determinative of a particular relationship.
- 2079.20 Nothing in this article prevents an agent from selecting, as a condition of the agent's employment, a specific form of agency relationship not specifically prohibited by this article if the requirements of Section 2079.14 and Section 2079.17 are complied with.
- 2079.21 A dual agent shall not disclose to the buyer that the seller is willing to sell the property at a price less than the listing price, without the express written consent of the seller. A dual agent shall not disclose to the seller that the buyer is willing to pay a price greater than the offering price, without the express written consent of the buyer. This section does not alter in any way the duty or responsibility of a dual agent to any principal with respect to confidential information other than price.
- 2079.22 Nothing in this article precludes a listing agent from also being a selling agent, and the combination of these functions in one agent does not, of itself, make that agent a dual agent.
- 2079.23 A contract between the principal and agent may be modified or altered to change the agency relationship at any time before the performance of the act which is the object of the agency with the written consent of the parties to the agency relationship.
- 2079.24 Nothing in this article shall be construed to either diminish the duty of disclosure owed buyers and sellers by agents and their associates licensees, subagents, and employees or to relieve agents and their associate licensees, subagents, and employees from liability for their conduct in connection with acts governed by this article or for any breach of a fiduciary duty or a duty of disclosure.

Seller C M SCANT



# ADVISORY AND CONSENT REGARDING MULTIPLE AGENCY AND DUAL AGENCY

Revision Date 8/04

Print Date 8/05



Real estate brokerage companies vary in terms of number of sales agents and branch offices. Larger brokerages may, at any one time, service hundreds of listings and address the needs of thousands of individual clients. Client is advised that such circumstance, coupled with limited housing inventories and expanding demand for homes, can engender vigorous competition for the same property by numerous buyers and result in situations (referred to herein as "Multiple Agency") wherein two or more sets of buyers are represented by agents from the same brokerage company. Related to Multiple Agency (and included within the scope of that term for purposes of this document) are situations wherein a buyer client is introduced to and shown properties that are listed with the same brokerage to which that buyer's agent belongs.

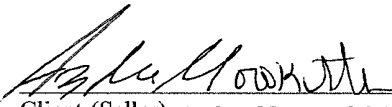
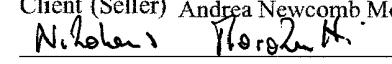
"Dual Agency" arises when (1) both the buyer and seller of a particular property are represented by the same, individual agent or (2) the buyer and seller are separately represented by different agents of the same brokerage company. Dual Agency is recognized and accepted under California law as a legally authorized agency relationship, and is addressed in the "Disclosure Regarding Real Estate Agency Relationships" form required by Civil Code Section 2079.13, et seq. and provided to Client. When consented to by the subject buyer and seller, a listing agent is thus permitted by law to represent said listing agent's own buyer client (if any) in the showing and eventual sale of property listed by that agent, and may present offers for that buyer on properties listed by other agents affiliated with the same brokerage. Client is nevertheless advised, and acknowledges and understands, that conflicts of interests can and do arise in Dual Agency situations due to the inherently competing interests of buyers and sellers of a particular property and the fact that one single brokerage company, and the agent(s) involved, owe a fiduciary duty to buyer and seller both.

As to any such conflict or dispute, Client understands and agrees that Agent may seek guidance and counsel from Agent's managing broker or broker of record (as applicable) to assist in achieving a fair and impartial resolution. Client acknowledges and accepts Agent's affirmation of brokerage fiduciary duties and responsibilities and Agent's commitment to devote best efforts to fairly and ably resolve such conflicts and other disputes in a manner that favors the interests of neither party over the other. Additionally, Client accepts that, although Agent commits to the full and faithful disclosure to both Buyer and Seller of all material information (of which Agent is aware) reasonably bearing on value or desirability of the subject property, Agent will not (without written consent):

- (a) reveal to Buyer the fact or extent of any willingness by Seller to sell the property at a price, and/or upon terms, less than those set forth in the subject listing;
- (b) reveal to Seller the highest price and/or most Seller-favorable terms upon which Buyer is willing to buy the property; or
- (c) reveal to the other party to the transaction any information relating to any family, financial, health, occupational or other circumstance, purpose or motivation (not relating to condition, value or desirability of the property) that might influence or otherwise bear on Buyer's or Seller's decision to purchase or sell the property.

Client acknowledges and accepts the foregoing limitations and exceptions regarding disclosure by Agent, and acknowledges Agent's advice and recommendation to confer with legal counsel regarding Multiple Agency and Dual Agency and any decision to proceed on the basis thereof.

**Client affirms that Client has read and considered the foregoing, and that Client expressly consents to, and hereby agrees to allow Agent and Agent's Broker to proceed on the basis of, Multiple Agency and Dual Agency on Client's behalf as explained herein.**

_____	_____		_____
Client (Buyer)	Date	Client (Seller) Andrea Newcomb Morokutti	Date 08/01/2010
_____	_____		_____
Client (Buyer)	Date	Client (Seller) Nikolas Morokutti	Date 08/01/2010
_____	_____	_____	_____
Agent for Client (Buyer)	Date	Agent for Client (Seller) Bea Mei Sines	Date 08/01/2010
_____	_____	_____	_____
Brokerage Company (please print)		Alain Pinel Realtors	_____
		Brokerage Company (please print)	



**PRDS® ADVISORY REGARDING MARKET CONDITIONS,  
MULTIPLE AND NON-CONTINGENT OFFERS,  
FINANCING/APPRaisal AND PROPERTY CONDITION**

Revision Date 5/06



The residential real estate market is, and historically has been, cyclical. Bay Area housing values have experienced repeated up-turns - - with extraordinary price increases in some cases - - and down-turns, where home sale prices descend, in some cases dramatically. Factors contributing to these home price swings include national and local economic conditions and business cycles, and especially the significant and sometimes immediate influence that business advances and declines related to high-tech, bio-tech and other business enterprises exert on the housing sector. Beyond that, the fact that Bay Area housing demand often exceeds housing supply furnishes another important explanation for occasionally intense competition for limited housing stock. Your real estate agent cannot predict market swings, and whether and to what extent real property purchased today will, in the future, appreciate or depreciate in value. In view of these real estate price dynamics, the parties to the Purchase Contract herein are advised of the following:

- 1. Multiple Offers and Fair Market Value:** When it comes to residential housing offered for sale, this persistent imbalance of inventory and demand can give rise to **"multiple offer"** situations, wherein two or more sets of prospective buyers compete - - sometimes fiercely - - for the same property. Vigorous competition can drive a sales price well above asking price and, for that matter, substantially above a figure that would realistically be considered **"fair market value."** One peril for the Buyer in such a setting is that an artificially high purchase price can compound the economic consequences of a Buyer's need to sell the property before it has an opportunity to appreciate (if it will at all) to a level reflecting the actual purchase price, thus resulting in the possibility of a net loss to Buyer at time of sale.
- 2. Financing and Appraisal Issues and Risks:** Another peril for a Buyer who has "won" such a bidding competition can include inability or difficulty obtaining financing from a lender whose objectively derived appraisal cannot support the actual price paid. A lender's decision to approve of a Buyer as borrower takes into account an evaluation both of Buyer's **creditworthiness** i.e., the prospects for the Buyer's ability to continuously make mortgage payments and **appraisal**, i.e., an objective fair market valuation of the property.

Where the subject property is appraised at a price considerably below the actual purchase price, the lender will typically decline to make the loan unless the Buyer is willing to provide enough **increased down payment** to cover the difference between the loan amount applied for and the amount the lender (once in receipt of the appraisal) is ultimately willing to lend. This increased down payment requirement can be substantial and, depending on financing contingency status, Buyer's inability to bring in that increased amount may expose Buyer to forfeiture of his deposit, or worse. (It bears noting that, where the Liquidated Damages clause is not made a part of the purchase contract, the economic exposure to a defaulting Buyer has no limit or "cap".)

Another financing-related risk arises where a Buyer with a loan contingency is putting such a substantial amount of money down that, even with an appraisal far below the Buyer's purchase price, the lender is still willing to lend on strength of an auspicious loan-to-value ratio. The "risk," therefore, lies in Buyer's contractual obligation to proceed with removal of the financing contingency (even though the property didn't "appraise out" and Buyer feels he paid too much for the property), all because the lender is indeed willing to lend.

Buyer's Initials ( ) ( )

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Seller's Initials (AM) (VQ)  
Form RMC / Revised 5/06

3. **Non-contingent Offers; Associated Risks:** A contingency is a contractual condition (e.g., Buyer's approval of the physical condition of the Property) based upon which a Buyer, acting in good faith, can elect to not proceed with the transaction and can recover, without penalty or sanction, Buyer's deposit. Financing, property condition, insurance, title and other contingencies stand as important protections to a Buyer. Accordingly, a Buyer whose offer is fully "**non-contingent**" - - wherein all contingencies are waived - - foregoes important protections. Among these is the right to cancel the contract based upon an inability to obtain financing or upon a post-acceptance discovery of serious physical defects and other problems. It is important to note that the discovery during escrow of previously unknown defects *does not* (absent fraud) create for the non-contingent Buyer a new right to terminate the contract.

Inherent in Buyer's decision of what price and terms to include in an offer is (on one end of the spectrum) the risk that a non-contingent contract, while attractive to a Seller, exposes the Buyer to the risk of having to either go through with the purchase of a possibly defective property or withdraw and suffer the economic consequences of default. At the other end of the spectrum is the risk that the Seller will reject Buyer's contingent-laden offer in favor of a competing offer with few or no contingencies.

Notwithstanding these important concerns, a Buyer who is determined to prevail as successful bidder may freely elect to assume these risks of non-contingency, preferring instead to generate an offer sufficiently attractive to a Seller that the "risk" of being outbid by a competing offer is correspondingly reduced. **Each buyer must, upon careful deliberation, decide how much of which risk he or she is willing to assume.** Risk factors vary in each transaction and must be thoughtfully considered in each case. For example, where a non-contingent buyer has access to a seller-provided pre-sale disclosure "packet" containing essential inspection reports produced by reliable, reputable professionals, the risk to that buyer regarding those issues is far lower than it would be where no inspections have been undertaken at all. The latter involves maximum risk, and is strongly discouraged by Broker.

4. **Property Condition:** Irrespective of prevailing market conditions, Buyer is encouraged to engage property inspection professionals to examine the subject property, particularly where the Seller has not obtained and delivered to Buyer (prior to Buyer's submittal of an offer) a pre-sale property inspection report from a professional and disinterested property inspection expert. As stated above, a decision by Buyer to waive contingencies relating to property condition should be made only upon careful deliberation. Buyer should also review in advance such existing disclosures, inspection reports, building permit file records and other materials that could provide information and insights as to condition, value and desirability. Buyer should carefully review Seller and agent information provided in the Transfer Disclosure Statement and any additional disclosure (e.g., the PRDS Supplemental Seller Checklist) information. Additionally, where the contract provides for a pre-close of escrow "Walk-Through" (and whether the transaction is or is not "non-contingent"), Buyer should avail himself of that right and opportunity.

Date: \_\_\_\_\_

Date: 08/01/2010

Buyer: \_\_\_\_\_

Seller: Andrea Morokutti

Andrea Newcomb Morokutti

Buyer: \_\_\_\_\_

Seller: Nikolas Morokutti

Nikolas Morokutti



**NOTICE OF YOUR  
"SUPPLEMENTAL" PROPERTY TAX BILL**

(Civil Code Section 1102.6c)  
Revision Date 5/06      Print Date 5/06



**Property:** \_\_\_\_\_ 1426 Todd Street, Mountain View, CA 94040 \_\_\_\_\_

**Buyer is hereby advised as follows:**

"California property tax law requires the Assessor to revalue real property at the time the ownership of the property changes. Because of this law, you may receive one or two supplemental tax bills, depending on when your loan closes.

The supplemental tax bills are not mailed to your lender. If you have arranged for your property tax payments to be made through an impound account, the supplemental tax bills will not be paid by your lender. It is your responsibility to pay these supplemental tax bills directly to the Tax Collector.

If you have any questions concerning this matter, please call your local Tax Collector's Office."

Buyer and Seller acknowledge receipt of a copy of this advisory notice.

Date: \_\_\_\_\_ Date: \_\_\_\_\_ 08/01/2010 \_\_\_\_\_

Buyer: \_\_\_\_\_ Seller: Andrea Morokutti  
Andrea Newcomb Morokutti

Buyer: \_\_\_\_\_ Seller: Nikolas Morokutti  
Nikolas Morokutti



**SELLER'S AFFIDAVIT OF NON-FOREIGN STATUS (FIRPTA) AND CALIFORNIA TAX WITHHOLDING STATUS**

Revision Date 5/06



Federal law (IRC § 1445) and California law (Revenue & Taxation Code § 18662, for California properties) mandate the withholding of certain percentages of real estate proceeds, depending on citizenship and/or on the nature and status of the transferor, transferee and the subject property. **Since responses are required by law to be given under penalty of perjury, care must be used in the completion of this form. Tax and/or legal advisors should be consulted as to any questions or uncertainties in regard thereto.**

Property: 1426 Todd Street, Mountain View, CA 94040 (the "Property")

**Identity of Seller/Transferor:** (Each seller/transferor on title must prepare and sign a *separate copy of this form* unless seller/transferor is a married couple and has the same federal and state exempt status, in which case couple can complete and sign one form.)

A. Printed name: Andrea Newcomb Morokutti

B. Printed name: Nikolas Morokutti

Telephone number: \_\_\_\_\_

Address: 1426 Todd Street, Mountain View CA 94040

(Business, trust and estate entities: please enter office address)

Social Security No(s): A. First American Title will provide certification receipt B. \_\_\_\_\_

(Business, trust and estate entities: please enter Federal Tax ID no. and Calif. Corp. no.)

1. **FEDERAL CLAIM AND DECLARATION OF EXEMPT STATUS:** The Transferor is exempt under the Foreign Investment in Real Property Tax Act from federal tax withholding for the reason checked below:

- Transferor is an individual person who is not a "foreign person" (i.e., not a nonresident alien) under federal law. See IRC § 1445.
- Transferor is a domestic (or is legally entitled to treatment as a domestic) corporation, partnership, limited liability company, trust, estate or other entity as defined and described in applicable provisions of the Internal Revenue Code and Internal Revenue Regulations.

2. **CALIFORNIA CLAIM AND DECLARATION OF EXEMPT STATUS:** The Transferor is exempt under Revenue & Taxation Code § 18662 from California tax withholding for the reason checked below:

**Transferor is an individual or is a revocable (grantor) trust, and:** (Note: FTB Form 593-C may be required for some exemptions)

- The last use of the Property was as Transferor's principal residence, irrespective of the length of time it was so used.
- The Property otherwise qualifies (per IRC § 121) as Transferor's principal residence.
- The Property is to be exchanged (IRC § 1031) for like-kind property. (Note: any recognized gain requires withholding).
- The Property has been compulsorily or involuntarily converted (per IRC § 1033) and Transferor intends to acquire property similar or related in use for non-recognition of gain for California tax purposes under IRC § 1033.
- Sale of the Property will result in a loss for California income tax purposes.

**Transferor is an exempt business, trust or estate entity as follows:** (Note: FTB Form 593-W may be required for some exemptions)

By signing on behalf of one of the following entities, signatory warrants that he/she does so with full and complete authority

- Transferor is a corporation organized and qualified under California law, and maintains a permanent place of business in California.
- Transferor is a bank acting as fiduciary for a trust, or is a partnership or LLC (per California and federal tax law).
- Transferor is tax-exempt under federal or California law, or is an insurance company, IRA or qualified pension or profit sharing plan.
- The Property was decedent's principal residence (per IRC § 121).

3. **Non-applicable transactions** include acquisition by way of a foreclosed trust deed or mortgage or a deed in lieu of foreclosure. Federal tax withholding requirements cited herein apply only to properties with sales prices over \$300,000; California tax withholding requirements cited herein do not apply to properties with sales prices \$100,000 or less.

The undersigned Transferor declares under penalty of perjury that the forgoing information is correct. If none of the above exemptions is applicable, then withholding may be required. Please declare exemption status under both **Federal** (Paragraph 1 above) and **California** (Paragraph 2 above) provisions.

	<u>Andrea Newcomb Morokutti</u>	<u>08/01/2010</u>
Transferor's signature	Printed name (and, where applicable, signature authority)	Date
	<u>Nikolas Morokutti</u>	<u>08/01/2010</u>
Transferor's signature	Printed name (and, where applicable, signature authority)	Date

Buyer acknowledges receipt of a completed and signed copy of this document (which should be retained with tax records for five years).

Date \_\_\_\_\_ Buyer \_\_\_\_\_ Buyer \_\_\_\_\_

## NOTICE TO BUYERS AND SELLERS REGARDING FOREIGN INVESTMENT REAL PROPERTY TAX ACT (FIRPTA)

The United States in 1980 adopted the Foreign Investment in Real Property Tax Act (FIRPTA). Under FIRPTA, Buyers are legally obligated to withhold ten percent (10%) of the gross sales price otherwise payable to the Seller. Buyers must pay that 10% amount to the Internal Revenue Service (IRS) unless Seller, or the particular transaction, is exempt.

Sellers are exempt if **all Sellers** give the escrow holder completed FIRPTA Seller Affidavits signed by all Sellers, which Affidavits must state, among other things, that the Sellers are not nonresident aliens. FIRPTA requires these Seller's Affidavits to include the taxpayer identification number of the Sellers ("TIN"). For individuals this is usually the Seller's Social Security Number ("SSN").

This requirement is satisfied if the Sellers' Affidavits, which include the individual Sellers' SSN's, are delivered to the escrow holder, and the escrow holder in turn provides the buyer with a statement under penalty of perjury that they have the required Sellers' Affidavits with the SSN's in their possession (the "Escrow Holder's Statement").

**ATTENTION SELLERS:** If you, as the Sellers, are relying on the exemption that you are not nonresident aliens, **you must provide the escrow holder with completed Seller Affidavits including your SSN's.**

**ATTENTION BUYERS:** If, after a request to do so, the escrow holder does not, or is unable to, deliver to you the required Escrow Holder's Statement, you should:

- A. Instruct the escrow company to withhold 10% of the gross sales price and pay that amount to the IRS for the tax account of the Seller; and/or:
- B. Instruct the escrow company to delay the closing of escrow for the transaction until you are provided with the required Escrow Holder's Statement.

In the event the Sellers and/or the escrow holder still refuses to comply with A or B, above, the real estate broker(s) in this transaction recommend that Buyer seek legal advice concerning his/her legal rights before proceeding. If you decide to consummate your purchase with the Sellers without obtaining the required Escrow Holder's Statement, or without withholding 10% of the gross sales price, then you have acted against the advice of your broker/agent, and may be liable to the IRS for that, the non-withheld 10% amount plus interest, and penalties if applicable.

**NOTE: This Notice is not intended to give tax or legal advice to Sellers or Buyers of real property. Sellers and Buyers are strongly advised to discuss any legal or tax issues related to this transaction with their respective legal and tax advisors; including the contents of this Notice, whether this transaction qualifies for an exemption, or whether Seller qualifies for an exemption, from the requirements of FIRPTA.**

**I have received and understand this Notice:**

\_\_\_\_\_, 200\_\_\_\_  
Date

\_\_\_\_\_, 200\_\_\_\_  
Date

\_\_\_\_\_  
Seller

\_\_\_\_\_  
Buyer

\_\_\_\_\_  
Seller

\_\_\_\_\_  
Buyer



PRDS® LEAD-BASED PAINT AND LEAD-BASED PAINT HAZARDS DISCLOSURE AND ACKNOWLEDGMENT

Revision Date 6/06



This Disclosure applies to the Real Estate [X] Purchase [ ] Lease/Rental Contract ("Contract") for \_\_\_\_\_

1426 Todd Street

City of Mountain View County of Santa Clara, California ("Property").

LEAD WARNING STATEMENT

PURCHASE AND SALE: Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning.

LEASE: Housing built before 1978 may contain lead-based paint. Lead from paint, paint chips and dust can pose health hazards if not managed properly.

1. SELLER/LESSOR DISCLOSURE

a) Seller/Lessor has no knowledge of lead-based paint and/or lead-based paint hazards at the Property other than as follows:

none

(use additional sheet, if necessary)

b) Seller/Lessor has no reports or records pertaining to lead-based paint and/or lead-based paint hazards at the Property that have been received by Buyer/Lessee or are provided as an attachment (please list reports), other than as follows:

(use additional sheet, if necessary)

c) Buyer/Lessee has received, or is receiving as an attachment hereto, the pamphlet "Protect Your Family From Lead In Your Home" or an equivalent booklet approved for Federal and State use.

d) Sales Transactions Only: Buyer shall have ten days from Acceptance (unless otherwise agreed in the Contract) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards before becoming obligated to purchase the Property.

I (we) have reviewed the information above and certify, to the best of my (our) knowledge, that the information provided is true and correct.

Date: 08/01/2010

Seller/Lessor: [Signature] (SIGNATURE)

Andrea Newcomb Morokutti (PRINTED NAME)

Date: 08/01/2010

Seller/Lessor: [Signature] (SIGNATURE)

Nikolas Morokutti (PRINTED NAME)

2. ACKNOWLEDGMENT BY AGENT FOR SELLER/LESSOR

Agent has informed Seller/Lessor of Seller's/Lessor's obligations under 42 U.S.C. §4852(d) and is aware of said Agent's duty to ensure compliance.

I have reviewed the information above and certify, to the best of my knowledge, that the information provided is true and correct.

Date: 08/01/2010

Seller's/Lessor's Agent: [Signature] (SIGNATURE)

Print Name: Bea Mei Sines

Company Name: Alain Pinel Realtors

3. BUYER/LESSEE ACKNOWLEDGMENT

a) I (we) have received the "Lead Warning Statement" above.

b) I (we) have received the pamphlet "Protect Your Family From Lead In Your Home" or an equivalent pamphlet approved for Federal and State use.

c) Sales Transactions Only: Buyer acknowledges a right (exercisable within ten days of Acceptance, unless otherwise agreed in the Contract) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards before becoming obligated to purchase the Property.

I (we) have reviewed the information above and certify, to the best of my (our) knowledge, that the information provided is true and correct.

Date: \_\_\_\_\_

Buyer/Lessee: [Signature] (SIGNATURE)

(PRINTED NAME)

Date: \_\_\_\_\_

Buyer/Lessee: [Signature] (SIGNATURE)

(PRINTED NAME)

4. ACKNOWLEDGMENT BY AGENT FOR BUYER/LESSEE

Agent has informed Seller/Lessor (through Seller's/Lessor's Agent, if the Property is listed), of Seller's/Lessor's obligations under 42 U.S.C. §4852(d) and is aware of the duty of Agent for Buyer/Lessee to ensure compliance.

I have reviewed the information above and certify, to the best of my knowledge, that the information provided is true and correct.

Date: \_\_\_\_\_

Buyer's/Lessee's Agent: [Signature] (SIGNATURE)

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

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



**CERTIFICATION OF COMPLIANCE WITH WATER HEATER,  
SMOKE DETECTOR REQUIREMENTS**  
Revision Date 7/09



Property: 1426 Todd Street, Mountain View, CA 94040

**WATER HEATER COMPLIANCE**

For purposes of reducing the serious threat of fire, explosion or electrocution resulting from water heaters that may overturn or suffer damage in an earthquake, California Health and Safety Code sections 19211 and 19212 require that all water heaters, whether new or old, be braced, anchored or strapped to resist falling or horizontal displacement due to seismic motion. **There are no exceptions to this requirement.** Compliance must be certified at the point of transfer of title.

While the California Plumbing Code provides specific guidance as to the manner and means of securing water heaters, Seller/Owner is advised that different or additional requirements may be imposed by local ordinance. Seller/Owner is, therefore, encouraged to inquire of local code enforcement officers in regard thereto and to engage a competent plumber or other building professional to undertake any needed action and to assure compliance.

**Seller/Owner hereby certifies that the Property is presently in compliance, or by close of escrow shall have been brought into compliance, with the above-referenced requirements regarding water heater bracing, anchoring and strapping.**

Date: 08/01/2010  
Seller/Owner: *Andrea Newcomb Morokutti*  
Andrea Newcomb Morokutti

Seller/Owner: *Nikolas Morokutti*  
Nikolas Morokutti

**SMOKE DETECTOR COMPLIANCE**

Dwelling units (including, without limitation, single family residences) intended for human occupancy are, upon transfer of title, required to be equipped with operable smoke detectors of the type and in a manner specified by the State Fire Marshall. **Exceptions to this requirement are generally the same as those applicable to Transfer Disclosure Statements.** Compliance must be certified by close of escrow. Health & Safety Code section 13113.7, et seq. Local ordinances and building codes may add additional requirements and should be consulted as to where (i.e., what placement within sleeping areas, hallways leading to sleeping areas, within staircases, etc.) smoke detectors should be located for optimal performance and for full code compliance.

**Seller/Owner hereby certifies that the Property is presently in compliance, or by close of escrow shall have been brought into compliance, with the above-referenced requirements regarding the installation of operable smoke detectors.**

Date: 08/01/2010  
Seller/Owner: *Andrea Newcomb Morokutti*  
Andrea Newcomb Morokutti

Seller/Owner: *Nikolas Morokutti*  
Nikolas Morokutti

**Buyer/Tenant hereby acknowledges receipt of a copy of the above certification(s).**

Date: \_\_\_\_\_  
Buyer/Tenant: \_\_\_\_\_

Buyer/Tenant: \_\_\_\_\_



PRDS@ MOLD / ALLERGEN ADVISORY

Property: 1426 Todd Street, Mountain View CA 94040

Buyer is advised of the possible presence within residential and other properties of toxic (or otherwise illness-causing) molds, fungi, spores, pollens and/or other botanical substances and/or other allergens (e.g., dust, pet dander, insect material, etc.). These substances may be either visible or invisible, may adhere to walls and other accessible and inaccessible surfaces, may be embedded in carpets or other fabrics, may become airborne, and may be mistaken for other household substances and conditions. Exposure carries the potential of possibly serious health consequences (contact the California Department of Health Services [(510) 540-2469] for further information on this topic).

Accordingly, Buyer is advised to consider engaging the services of an environmental or industrial hygienist (or similar, qualified professional) to:

- Inspect and test for the presence of harmful botanical and other allergens and substances as part of Buyer's physical condition inspection of the Property and
- Advise Buyer regarding level of health-related risk involved and the advisability and feasibility of eradication and abatement.

Buyer is advised that, since the time necessary to accomplish such testing could (depending on the nature and extent of testing) involve lengthier time frames than parties to a purchase contract typically allocate for the property condition contingency, Buyer may wish to propose, among Buyer's requested purchase contract terms, a contingency period sufficient to accommodate the completion of such tests.

Buyer is expressly cautioned as to the very limited and uncertain capabilities of Buyer, Seller, brokers and general property inspection services in recognizing and detecting the existence of such molds and other allergens and botanical substances.

Date: \_\_\_\_\_

Date: August 01, 2010

X  
\_\_\_\_\_  
Buyer

X *Andrea Morokutti*  
\_\_\_\_\_  
Seller - Andrea Morokutti

X  
\_\_\_\_\_  
Buyer

X *Nikolas Morokutti*  
\_\_\_\_\_  
Seller - Nikolas Morokutti

## **MEGAN'S LAW WEBSITE DISCLOSURE**

**RE: PROPERTY ADDRESS**

**1426 Todd Street, Mountain View CA 94040**

The California Legislature has created a statewide to enable the public to secure information regarding the location of registered sex offenders. Buyers/Tenants who are interested in this information should go on-line at <http://meganslaw.ca.gov> prior to removing their inspection contingency. Brokers cannot and will not verify the information provided by the Government. Brokers make no representation or guarantee as to the timeliness or accuracy of the information supplied at this website.

**The undersigned acknowledge receipt of this disclosure.**

**Date:** \_\_\_\_\_ **Buyer** \_\_\_\_\_

**Date:** \_\_\_\_\_ **Buyer** \_\_\_\_\_