



# PRDS® SUPPLEMENTAL SELLER'S CHECKLIST

Supplement to Transfer Disclosure Statement

Revision Date 5/06

Print Date 5/06



www.prdsclm.com

Property: 1290 Sharon Park Dr #48 Menlo Park Date: 6/18/07

THE INFORMATION ENTERED ON THIS FORM IS PROVIDED BY SELLER ONLY. (AGENTS' DISCLOSURES ARE PROVIDED ELSEWHERE.) THIS DOCUMENT IS SOLELY A SUPPLEMENTAL DISCLOSURE; IT IS NOT, AND SHALL NOT BE DEEMED TO CONSTITUTE, ANY PART OF THE RELATED PURCHASE CONTRACT.

**CAUTION TO SELLER:** California law requires that you disclose to a Buyer all material facts, of which you are aware or reasonably should be aware, bearing on the value or desirability of the Property. This supplemental form serves as an additional checklist intended to aid you in identifying, recalling and disclosing such material facts (including negative conditions that arose during prior ownerships). If you are in doubt as to whether a condition constitutes a "defect," it is always prudent to disclose and explain rather than remain silent. Full disclosure of material facts reduces the risk of subsequent disputes, claims and litigation regarding the Property. Please be aware of your obligation as Seller to be alert to and to disclose problems and defects known by you to exist, even where they are not included in this checklist.

**CAUTION TO BUYER:** California law requires that you exercise reasonable care in investigating the Property and that you take account of facts that are disclosed or otherwise known to you or which are within your diligent attention and observation. You are strongly urged to thoroughly inspect the Property and surrounding neighborhood, carefully read and assess all disclosures and inspection reports (carefully considering inspectors' recommendations of additional, specialized inspections) and to ask questions and make additional inquiries of others, including inspection professionals, that you, as Buyer, feel important. Factors relating to the Property and/or the neighborhood may affect you quite differently (positively or negatively) than they do the Sellers, whose perceptions are inevitably subjective. A property or neighborhood condition that is entirely satisfactory to a Seller might be regarded by a Buyer as an annoyance or a nuisance. Understand that this and other Seller disclosures typically reflect a Seller's non-expert, subjective perceptions of the Property, and that items noted on this form reflect only those conditions of which Seller is aware. This list almost certainly does not account for each and every possible defect, and Seller's lack of awareness of a problem does not mean that none exists.

### RESPOND TO EACH AND EVERY ONE OF THE FOLLOWING ITEMS.

Answer YES to any of the items if you are aware of any negative condition or circumstance, whether past or present, and whether or not previously repaired, relating to that item. Whenever an item is checked "YES", explain underlying facts in detail on the lines at the end of the relevant category. (If necessary, use additional pages.)

#### 1. GENERAL PROPERTY INFORMATION:

- a) Approximate lot size: \_\_\_\_\_  UNKNOWN Source: \_\_\_\_\_
- b) Approximate house square footage: \_\_\_\_\_  UNKNOWN Source: \_\_\_\_\_
- c) Approximate age of the house: \_\_\_\_\_  UNKNOWN Source: \_\_\_\_\_
- d) Number of years you have owned the Property: \_\_\_\_\_ lived in the Property: \_\_\_\_\_

#### 2. ALTERATIONS: Account for all additions, remodeling, repairs and alterations done by you (and those done, to your knowledge, by prior owners or any other person).

Nature of Work	Approximate Completion Date	Seller has Permit Documentation <sup>(1)</sup>		Seller has Other Documentation	
		(Complete or Otherwise)			
a) _____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
b) _____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
c) _____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
d) _____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
e) _____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
f) _____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
g) _____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

<sup>(1)</sup> For example: copies of permits (including "final" permit sign-offs), inspection reports and worksheets, bids and plans

Seller's Initials (\_\_\_\_\_) (\_\_\_\_\_)

Copyright © 2006 Advanced Real Estate Solutions, Inc.

Buyer's Initials (\_\_\_\_\_) (\_\_\_\_\_)

Answer each of the following questions.  
Answer **YES** to any of the items if you are aware of any negative condition or circumstance, **whether past or present, and whether or not previously repaired**, relating to that item. Whenever an item is checked "YES", explain underlying facts in detail on the lines at the end of the relevant category. (If necessary, use additional pages.)

- 3. FOUNDATION/BASEMENT/CRAWL SPACE/SOILS/RETAINING WALLS** **YES** **NO**
- a) Are you aware of any cracks, patches or repairs in the foundation, retaining walls or any other part of the structure?
  - b) Are you aware of any soils problems, such as settlement, movement, cracking, slippage or instability? ...
  - c) Are you aware of any settlement, movement, cracking, bowing, tilting, rotation or deterioration of foundation members, retaining walls or other structural elements?
  - d) Are you aware of any settlement, movement, cracking, shifting, separation or sub-surface erosion as to walkways, patios, swimming pool or other decking, or any other pavement or hardscape?
  - e) To your knowledge, has any landfill, grading, "cut and fill", compaction or other soils work taken place at the Property?

Explanations (If "yes" is checked on any of the above, please explain below):

- 4. INTERIOR SURFACES/ELEMENTS** **YES** **NO**
- a) Are you aware of any interior cracks (e.g., in ceiling, walls, around windows, etc.)?
  - b) Are you aware of any patching or repair of any interior cracks?
  - c) Are you aware of any squeaking, sloping or out-of-level floors?
  - d) Are you aware of any stains, scratches, warping, cupping, chipping, cracking, sponginess, water damage or other defects relating to hardwood (or other wood), tile, linoleum or any other flooring surface?
  - e) Are you aware of any windows that stick or bind, that fail to either latch, open or close with relative ease, or that otherwise fail to operate properly (whether continuously or seasonally)?
  - f) Are you aware of any glass in any interior or exterior door (including shower door) or interior or exterior window that is not "safety glass"?
  - g) Are you aware of any doors that stick or bind, are out of plumb, fail to open or close with relative ease, or that otherwise fail to operate properly (whether continuously or seasonally)?
  - h) Are you aware of any defect (including seal failure) regarding any dual-pane or thermo-pane windows?
  - i) Are you aware of any damage or defect (e.g., stains, spots, tears or odors) regarding any installed carpeting?
  - j) Are you aware of any damage or defect (e.g., stains, spots, tears, odors and/or malfunctions) regarding any existing window coverings?

Explanations (If "yes" is checked on any of the above, please explain below):

- 5. SURFACE/SUB-SURFACE WATER/MOISTURE CONTROL** **YES** **NO**
- a) To your knowledge, does there presently exist, or are you aware of any history of, any standing or ponding water or periodic or persistent dampness or moisture, in any sub-areas or elsewhere on the Property?
  - b) Are you aware of any past or present flooding (even minor water intrusion) into the garage, basement or sub-areas?
  - c) To your knowledge, has any other part of the Property suffered any flooding or drainage problems?
  - d) To your knowledge, have any drainage systems (e.g., french drains, curtain drains), sump pumps, fans, or dry wells ever been installed at the Property?
  - e) To your knowledge, does a spring, high water table, sub-surface stream or aquifer, or any other natural source of water, exist on, or affect, the Property?

Explanations (If "yes" is checked on any of the above, please explain below):

- 6. ROOF/GUTTERS/SIDING** **YES** **NO**
- a) To your knowledge, have there been any blockages or other failures of downspouts, gutters, fixed or imbedded gutter extensions or storm drains?
  - b) Are you aware of the occurrence of any past or present leaks from or through roof, siding, windows, skylights, gutters, downspouts, eaves, awnings or other areas?
  - c) To your knowledge, has any roof repair, restoration, replacement (full or partial) or other work been undertaken?

Answer each of the following questions.

Answer YES to any of the items if you are aware of any negative condition or circumstance, whether past or present, and whether or not previously repaired, relating to that item. Whenever an item is checked "YES", explain underlying facts in detail on the lines at the end of the relevant category. (If necessary, use additional pages.)

**ROOF/GUTTERS/SIDING (continued)** YES NO  
 Explanations (If "yes" is checked on any of the above, please explain below):

**7. HEATING SYSTEM/AIR CONDITIONING** YES NO

- a) Describe the type of heating system in the Property. (If there are multiple systems, account for each throughout this Paragraph 7.) \_\_\_\_\_
- b) Have you encountered, or are you aware of, any problems with any aspect of the heating system?  YES  NO
- c) Are any bedrooms or other major rooms not directly served by a heating duct?  YES  NO  
 (If yes, which rooms?) \_\_\_\_\_
- d) What is the approximate age of the heating system? \_\_\_\_\_ years
- e) When was the heating system last serviced, and by whom? \_\_\_\_\_
- f) Does the Property have a central air conditioning system? (If there are multiple systems, account for each with respect to all issues and inquiries raised by this Paragraph 7.)  YES  NO
- g) Have you ever encountered, or are you aware of, any problems with, any aspect of the air conditioning system?  YES  NO
- h) What is the approximate age of the air conditioning system? \_\_\_\_\_ years
- i) When was the air conditioning system last serviced, and by whom? \_\_\_\_\_
- j) If the Property is served by propane, are you aware of any past or present problems with that system?  YES  NO
- k) Are you aware as to whether the central air conditioning (if any) or the furnace at the Property has been installed or replaced since October 1, 2005? (Note: such installation or replacement may trigger a requirement for testing/repair of ductwork in homes situated in certain non-coastal climates. Most residential areas of the San Francisco Peninsula are exempt from compliance. For more exact information regarding areas affected, go to [www.energy.ca.gov](http://www.energy.ca.gov))  YES  NO

Explanations (If "yes" is checked on any of the above, please explain below):

**8. ELECTRICAL FIXTURES/APPLIANCES** YES NO

- a) To your knowledge, have any electrical fixtures, devices or installed appliances (including, e.g., central vacuum, instant hot water) ever failed to perform properly or have any undergone repairs?  YES  NO
- b) To your knowledge, do lights ever dim, e.g., during use of multiple appliances?  YES  NO
- c) To your knowledge, has the electrical system encountered any blown fuses, tripped circuit breakers or any other problem, or undergone any repair or modification?  YES  NO
- d) Have you yourself, or has any unlicensed worker or contractor, undertaken any electrical repair, wiring, installation or other electrical work at the Property?  YES  NO

Explanations (If "yes" is checked on any of the above, please explain below):

**9. ELECTRONICS/NETWORKS/TELEPHONE DEVICES AND SYSTEMS** YES NO

- a) Does the Property have a television antenna?  YES  NO
- b) Are cable television lines presently installed and hooked up to a cable television service provider?  YES  NO
- c) If cable television is not presently set up at the Property, are you aware of the availability of cable television service at your Property?  YES  NO
- d) Is a satellite receiver (or "dish") affixed to and wired into the Property?  YES  NO  
 If yes, it is  Leased  Owned by Seller
- e) Do any abandoned or unused cable or satellite systems remain at the Property?  YES  NO
- f) Are you aware of any interference to your television, radio, etc., from neighboring transmitters, ham radio operators or other sources?  YES  NO
- g) Are you aware of any cell phone reception or transmission problems at the Property?  YES  NO
- h) How many individual telephone lines (separate telephone numbers) are wired into the Property? \_\_\_\_\_
- i) Is the Property wired and equipped with an integrated telephone system(s) (e.g., systems incorporating telephone, intercom, radio, other functions)?  YES  NO
- j) Is the Property wired and equipped for high-speed internet service?  YES  NO  
 If yes, who is the current provider? \_\_\_\_\_

Answer each of the following questions.

Answer **YES** to any of the items if you are aware of any negative condition or circumstance, **whether past or present, and whether or not previously repaired**, relating to that item. Whenever an item is checked "YES", explain underlying facts in detail on the lines at the end of the relevant category. (If necessary, use additional pages.)

**ELECTRONICS/NETWORKS/TELEPHONE DEVICES AND SYSTEMS (continued)**

- |  | YES                      | NO                       |
|--|--------------------------|--------------------------|
| k) If <u>no</u> , are you aware of the availability of high-speed internet service at your Property? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| l) Does the Property have a built-in alarm system? Please indicate the following:<br><input type="checkbox"/> Leased <input type="checkbox"/> Owned <input type="checkbox"/> Auditory only <input type="checkbox"/> "Central Station" only <input type="checkbox"/> Auditory and "Central Station" ..... | <input type="checkbox"/> | <input type="checkbox"/> |
| m) Have you experienced any alarm system failure caused by false alarms or other defects? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| n) If applicable, name of alarm system provider used: _____  |                          |                          |
| o) Is the Property equipped with a video surveillance system? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| p) Is the Property equipped with automatic security lighting? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| q) Is the Property equipped with electronically activated gates? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| r) Is the Property equipped with an intercom system? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| s) Is the Property equipped with built-in sound or entertainment system(s)? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| t) Describe and explain below any system failure or other problem, past or present, and whether or not previously repaired, regarding any item listed above (h-s) in this Paragraph 9.   |                          |                          |

Explanations (If "yes" is checked on any of the above, please explain below):

**10. WATER SUPPLY/PLUMBING (INCLUDING NATURAL GAS AND PROPANE) SYSTEMS**

- |  | YES                      | NO                       |
|--|--------------------------|--------------------------|
| a) Are you aware of any past or present plumbing (including natural gas or propane) leakage or other problems or repairs? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| b) When was any part of the plumbing system last serviced? _____   |                          |                          |
| c) Have you yourself, or has any unlicensed worker or contractor, undertaken any repair, installation or work relating to water or natural gas or propane lines at the Property? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| d) Are you aware of any past or present episode of flooding of any part of the interior of the Property? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| e) Have you experienced high or low water pressure problems at the Property? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| f) Have you experienced any problem with water supply, purity, quality or taste? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| g) Have you experienced excessive delays in drawing hot water to any faucet? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| h) Have you experienced any rust, sediment or discoloration in your water? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| i) Is the Property equipped with a water softener? If <u>yes</u> , it is <input type="checkbox"/> Leased <input type="checkbox"/> Owned. ....  | <input type="checkbox"/> | <input type="checkbox"/> |
| j) Is the Property equipped with a purification system? If <u>yes</u> , it is <input type="checkbox"/> Leased <input type="checkbox"/> Owned .....                                       | <input type="checkbox"/> | <input type="checkbox"/> |
| k) Have, to your knowledge, any plumbed appliances (e.g., refrigerator ice maker/water dispenser, instant hot water) or other plumbing-related systems failed to operate properly? ..... | <input type="checkbox"/> | <input type="checkbox"/> |
| l) Is the Property equipped with a hot water re-circulating system? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| m) Is your water supply fluoridated? .....   | <input type="checkbox"/> | <input type="checkbox"/> |

Explanations (If "yes" is checked on any of the above, please explain below):

**11. PRIVATE WATER SYSTEM/WELL**

- |  | YES                      | NO                       |
|--|--------------------------|--------------------------|
| a) Is the Property served by a private water system that includes other users? If <u>yes</u> , identify the system and set forth and describe Property's water entitlement (or provide full documentation) ..... | <input type="checkbox"/> | <input type="checkbox"/> |
| b) Do you have documents setting forth permits, approvals, usage fees and maintenance? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| c) Is the Property served by a well? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| d) Have you experienced any problem with supply, purity, quality or taste of water from any well or private water system? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| e) Do you have copies of inspection reports of the well and of any related water storage tank? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| f) Do you have any inspection reports relating to wells, storage tanks, water flow and recovery rates, purity and quality? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| g) Are you aware of any government-mandated water hook-up to a public water system contemplated or in process? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| h) Are you aware of any information relating to any governmental water flow requirements or restrictions? .....  | <input type="checkbox"/> | <input type="checkbox"/> |

Explanations (If "yes" is checked on any of the above, please explain below):

**PRDS® SUPPLEMENTAL SELLER'S CHECKLIST:**

Answer each of the following questions.  
 Answer **YES** to any of the items if you are aware of any negative condition or circumstance, **whether past or present, and whether or not previously repaired**, relating to that item. Whenever an item is checked "YES", explain underlying facts in detail on the lines at the end of the relevant category. (If necessary, use additional pages.)

- 12. SEWER SYSTEM**     Not Applicable
- |  |                          |                          |
|--|--------------------------|--------------------------|
|  | <b>YES</b>               | <b>NO</b>                |
| a) Are you aware of any past or present blockage, backup, overflow or other failure of the sewer system (this includes toilets, tubs, kitchen and bathroom sinks, etc.)? ..... | <input type="checkbox"/> | <input type="checkbox"/> |
| b) Do any sinks, tubs, showers, etc. drain unreasonably slowly? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| c) With what frequency have you had waste or sewer lines snaked/rooted, and with which service provider? .....   |                          |                          |
| d) Are you aware of any current government-imposed inspection, repair or upgrade requirement (e.g., sewer lateral tests) applicable to the Property? .....                     | <input type="checkbox"/> | <input type="checkbox"/> |
| e) To your knowledge, is the Property equipped with any booster or other pump system related to the sewer system? .....  | <input type="checkbox"/> | <input type="checkbox"/> |

**Explanations (If "yes" is checked on any of the above, please explain below):**  
 \_\_\_\_\_  
 \_\_\_\_\_

- 13. SEPTIC SYSTEM**     Not Applicable
- |  |                          |                          |
|--|--------------------------|--------------------------|
|  | <b>YES</b>               | <b>NO</b>                |
| a) Are you aware of any past or present blockage, backup, overflow or other failure of the septic system? ..   | <input type="checkbox"/> | <input type="checkbox"/> |
| b) If you are aware of the material (e.g., concrete, redwood, etc.) of which the septic tank is constructed, please indicate: .....  |                          |                          |
| c) Are you aware of any repairs, replacements, relocations or expansions of the septic tank? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| d) When was the septic tank last pumped? .....   |                          |                          |
| by whom: .....   |                          |                          |
| e) Are you aware of any repairs, replacements, relocations or expansions of the leach field(s)? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| f) Have you been informed by any advisory, notification, inspection report or any other source that limitations of the septic system may preclude or limit expansion of living space at the Property? .....    | <input type="checkbox"/> | <input type="checkbox"/> |
| g) Have you been informed by any advisory, notification, inspection report or any other source that soils conditions may preclude or limit expansion of the septic system? .....                               | <input type="checkbox"/> | <input type="checkbox"/> |
| h) Are you aware of any governmental plans or requirements that may mandate hook-up to a public sewer system? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| i) Are you aware of any present or contemplated governmental measure that would require, that the septic system be inspected, replaced or upgraded, or converted and connected to a public sewer system? ..... | <input type="checkbox"/> | <input type="checkbox"/> |

**Explanations (If "yes" is checked on any of the above, please explain below):**  
 \_\_\_\_\_  
 \_\_\_\_\_

- 14. ABANDONED WELLS/SEWER/SEPTIC SYSTEMS**
- |   |                          |                          |
|---|--------------------------|--------------------------|
|   | <b>YES</b>               | <b>NO</b>                |
| a) Are there any abandoned wells, water storage tanks or related equipment at the Property? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| b) Are you aware as to whether any unused or abandoned sewer/septic system equipment (e.g., tank, leach lines) or abandoned leach field, is located at the Property? <u>If yes</u> , explain below whether and how it has been disposed of (e.g., removed, filled in, etc.) and permit status. .... | <input type="checkbox"/> | <input type="checkbox"/> |

**Explanations (If "yes" is checked on any of the above, please explain below):**  
 \_\_\_\_\_  
 \_\_\_\_\_

- 15. LANDSCAPING/IRRIGATION**
- |   |                          |                          |
|---|--------------------------|--------------------------|
|   | <b>YES</b>               | <b>NO</b>                |
| a) Does the Property have a sprinkling system? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| If yes, it is <input type="checkbox"/> Manual <input type="checkbox"/> Automatic  |                          |                          |
| b) Does the Property have a drip system? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| If yes, it is <input type="checkbox"/> Manual <input type="checkbox"/> Automatic  |                          |                          |
| c) Does the Property have an exterior lighting system (e.g., landscape, security)? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| d) Does the Property have a pond, waterfall or other decorative water-related landscaping feature? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| e) Are you aware of any defects or malfunctions regarding any of the above systems? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| f) Are you aware of any repairs, modifications or replacements to any of these systems? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| g) Does the Property have a play structure? <u>If yes</u> , please describe below the anchoring mechanism and any defects, modifications or repairs of which you are aware. ....      | <input type="checkbox"/> | <input type="checkbox"/> |
| h) Are you aware of any diseases or infestations affecting trees or other plantings at or near the Property? <u>If yes</u> , please describe below, including treatment, if any. .... | <input type="checkbox"/> | <input type="checkbox"/> |

**Explanations (If "yes" is checked on any of the above, please explain below):**  
 \_\_\_\_\_  
 \_\_\_\_\_

Answer each of the following questions.

Answer **YES** to any of the items if you are aware of any negative condition or circumstance, **whether past or present, and whether or not previously repaired**, relating to that item. Whenever an item is checked "YES", explain underlying facts in detail on the lines at the end of the relevant category. (If necessary, use additional pages.)

**16. SWIMMING POOL/SPA**     **Not Applicable**

- |   | YES                      | NO                       |
|---|--------------------------|--------------------------|
| a) Are you aware of any water leakages from the pool and/or spa? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| b) Are you aware of any past or present defects or malfunctions regarding such pool and/or spa equipment as heating, filtration or cleaning systems; pool and/or spa surfaces, decking or coping; lighting, ladders, slides or diving boards; pool enclosures, safety covers or alarms? ..... | <input type="checkbox"/> | <input type="checkbox"/> |
| c) Are you aware of any repairs having been done to the pool and/or spa? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| d) Does the pool have a heating system? <input type="checkbox"/> Gas <input type="checkbox"/> Electric <input type="checkbox"/> Solar <input type="checkbox"/> Other .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| e) When was the pool heater last utilized? .....  |                          |                          |
| f) Does the spa have a separate heating system? <input type="checkbox"/> Gas <input type="checkbox"/> Electric <input type="checkbox"/> Solar <input type="checkbox"/> Other<br>(explain below) .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| g) When was the spa heater last utilized? .....   |                          |                          |
| h) If the pool and/or spa has had regular maintenance, please identify the service provider, frequency, and last date serviced: .....   |                          |                          |

**Explanations (If "yes" is checked on any of the above, please explain below):**

**17. PETS/ANIMALS**

- |   | YES                      | NO                       |
|---|--------------------------|--------------------------|
| a) Are you aware of the prior or present existence of pets at the Property? <u>If yes</u> , indicate type, number, and when they were present at the Property. ....                           | <input type="checkbox"/> | <input type="checkbox"/> |
| b) Are you aware as to whether at any time any animal urine or feces has come into contact with carpeting or any other interior surface of the Property? .....                                | <input type="checkbox"/> | <input type="checkbox"/> |
| c) Are you aware of any staining, spotting, discoloration, warping or any other damage to carpets, hardwood or other flooring, or any other surface, relating to animal urine or feces? ..... | <input type="checkbox"/> | <input type="checkbox"/> |
| d) Are you aware of any present, past or seasonal (e.g., during warm temperatures) odors at the Property relating to animals? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| e) To your knowledge, have there ever been any ticks, fleas or other pet-related insect problems at the Property? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| f) Are you aware of any treatment or process employed to eradicate pet-related odors, stains or other problems? .....   | <input type="checkbox"/> | <input type="checkbox"/> |

**Explanations (If "yes" is checked on any of the above, please explain below):**

**18. NEIGHBORHOOD CONDITIONS**

- |  | YES                      | NO                       |
|--|--------------------------|--------------------------|
| a) Is the Property situated on or near a bus route? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| b) Is noise related to vehicular traffic, including bus traffic, noticeable at the Property? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| c) Do problems with any traffic congestion, excess speed, hampered driveway ingress or egress, limited or congested on-street parking, or other road-related difficulties exist at or near, or do they otherwise affect, the Property? .....                     | <input type="checkbox"/> | <input type="checkbox"/> |
| d) Is railroad, train, light rail, BART, or other rail traffic noticeable at the Property? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| e) Is aircraft-related noise noticeable at the Property? ( <u>Note</u> : a city mandated disclosure(s) may be required) ....   | <input type="checkbox"/> | <input type="checkbox"/> |
| f) Is noise from schools or parks noticeable at the Property? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| g) Do any local business, recreational, commercial or institutional (e.g., day care, religious, residential care or "group") facilities create noise, litter, traffic/parking congestion, night activities or other annoyances noticeable at the Property? ..... | <input type="checkbox"/> | <input type="checkbox"/> |
| h) Do any local entertainment complexes, amphitheaters or other venues create noise, litter, traffic/parking congestion, night activities or other annoyances noticeable at the Property? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| i) Do local events, gatherings or traditions (e.g., parades, block parties, holiday decorations, sporting events) create noise, litter, traffic/parking congestion, night activities or other annoyances noticeable at the Property? .....                       | <input type="checkbox"/> | <input type="checkbox"/> |
| j) Is barking and/or are other noises from dogs, cats or other animals noticeable at the Property? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| k) Has the presence in your neighborhood of birds (e.g., pigeons, seagulls), rodents or other animals, including both feral and domesticated animals, caused or constituted an annoyance or nuisance at the Property? .....                                      | <input type="checkbox"/> | <input type="checkbox"/> |
| l) Are other neighborhood noises (e.g., loud music, construction equipment, shouting, air condensers and other noisy appliances, generators, pool equipment, late-night parties, sporting or other events) noticeable at the Property? .....                     | <input type="checkbox"/> | <input type="checkbox"/> |

Answer each of the following questions.

Answer YES to any of the items if you are aware of any negative condition or circumstance, **whether past or present, and whether or not previously repaired**, relating to that item. Whenever an item is checked "YES", explain underlying facts in detail on the lines at the end of the relevant category. (If necessary, use additional pages.)

**NEIGHBORHOOD CONDITIONS (continued)**

- |  | YES                      | NO                       |
|--|--------------------------|--------------------------|
| m) Are there odors from or in the neighborhood that have been noticeable at the Property? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| n) Is there a neighborhood litter or debris problem that reflects on, or otherwise affects, the Property? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| o) Are you aware of any burglaries, assaults or other crimes in the neighborhood within the last three years? ....   | <input type="checkbox"/> | <input type="checkbox"/> |
| p) Are you aware of any Property or neighborhood conditions or circumstances beyond those referred to above that might reasonably affect the value or desirability of the Property? .....                                      | <input type="checkbox"/> | <input type="checkbox"/> |
| q) Have you, or to your knowledge has anyone in your neighborhood or household, ever complained to governmental authorities or others regarding any neighborhood condition, including those listed in this Paragraph 18? ..... | <input type="checkbox"/> | <input type="checkbox"/> |

Explanations (If "yes" is checked on any of the above, please explain below):

---



---



---

**19 ENVIRONMENTAL ISSUES**

- |  | YES                      | NO                       |
|--|--------------------------|--------------------------|
| a) Are you aware of the presence of any asbestos (e.g., in sprayed ceiling materials, furnace ducting, etc.) at the Property? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| b) Are you aware of the past or present disposal, leakage or spills on or near the Property of motor oil, heating oil, solvents or other hazardous chemicals or substances, or the existence (and any known leakage or other failure) of any above-ground or underground storage tank ("UST") located on or near the Property? ..... | <input type="checkbox"/> | <input type="checkbox"/> |
| If yes, describe present status and details regarding any remediation or clean-up. ....  |                          |                          |
| c) Are you aware of the presence on the Property of any UST ever containing heating oil, gasoline/diesel or any other fluid? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| d) Are you aware of the removal from the Property of any previously buried or unburied storage tank? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| If yes, please provide details, including date, regarding circumstances and public agency involvement. ....  |                          |                          |
| e) Are you aware of any toxic or hazardous material leakages or spills within a half-mile of the Property? ...   | <input type="checkbox"/> | <input type="checkbox"/> |
| f) Are you aware at the Property of lead-based paint, any lead paint residue or any other lead material? ....  | <input type="checkbox"/> | <input type="checkbox"/> |
| g) Are you aware of the past or present existence at the Property of any mold, fungus or spores? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| h) Are you aware of any environmental inspections or tests undertaken relative to any exterior or interior part of the Property? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| i) Are you aware of any odors at the Property whether persistent, recurrent, occasional or seasonal? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| j) Are you aware of any present or prior use of the Property as a site or facility (e.g., "lab") used for the manufacture, storage, disposal, release, use or sale of illegal controlled substances, and/or any chemicals or substances used in the manufacture or preparation thereof? .....  | <input type="checkbox"/> | <input type="checkbox"/> |

Explanations (If "yes" is checked on any of the above, please explain below):

---

**20. GOVERNMENTAL ISSUES/HOMEOWNER ASSOCIATION ISSUES**

- |   | YES                      | NO                       |
|---|--------------------------|--------------------------|
| a) Are you aware of the existence of any special (e.g., seismic, flood, coastal) zone that covers the Property? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| b) Are you aware of the existence or pendency of any applicable rent control ordinance? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| c) Are you aware of any current bonds, fees or assessments that do not appear on the Property's tax bill? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| d) Are you aware of any proposed or contemplated bonds, fees or assessments that would, if enacted, apply to the Property? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| e) Are you aware of any restrictions on use of the Property other than those imposed by zoning laws or CC&Rs? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| f) Are you aware of any existing or contemplated building (or other) moratoria that would apply to the Property? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| g) To your knowledge, is any Property-related application, certification, inspection or investigation (e.g., for building permit violations) by any governmental authority currently pending or contemplated? ..... | <input type="checkbox"/> | <input type="checkbox"/> |
| h) Are you aware of the existence or pendency of any stop work order, order to abate or notice of code or other violation or dangerous condition? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| i) Are you aware of any government-imposed requirement or order that brush, trees, grass or other vegetation at the Property be cleared, or that flammable materials be removed? .....                              | <input type="checkbox"/> | <input type="checkbox"/> |
| j) Are you aware of any government-mandated tree (or other landscaping) planting, tree removal or cutting restrictions, removal or replacement program that would affect the Property? .....                        | <input type="checkbox"/> | <input type="checkbox"/> |

Answer each of the following questions.

Answer **YES** to any of the items if you are aware of any negative condition or circumstance, **whether past or present, and whether or not previously repaired**, relating to that item. Whenever an item is checked "YES", explain underlying facts in detail on the lines at the end of the relevant category. (If necessary, use additional pages.)

**GOVERNMENTAL ISSUES/HOMEOWNER ASSOCIATION ISSUES (continued)**

- |  | YES                      | NO                       |
|--|--------------------------|--------------------------|
| k) Are you aware as to whether any part of the Property falls under provisions of the Williamson Act (tax-benefited covenant to hold and maintain certain properties as agricultural lands)? ..... | <input type="checkbox"/> | <input type="checkbox"/> |
| l) Are you aware as to any ongoing or contemplated eminent domain, condemnation or annexation process or proceedings relating to the Property? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| m) Are you aware as to whether or not the Property's school district mandates the busing of students? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| n) Are you aware of any current or contemplated construction, reconfiguration, conversion or closure of any nearby schools? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| o) Are you aware of any ongoing or contemplated construction, reconfiguration or closure relating to nearby roadways? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| p) Are you aware of any ongoing or contemplated removal or emplacement of any nearby traffic signals or signs? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| q) Are you aware of any ongoing or contemplated construction, reconfiguration or closure of nearby parks/recreational facilities? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| r) Is the Property situated in an unincorporated area of the County? .....   | <input type="checkbox"/> | <input type="checkbox"/> |

Explanations (If "yes" is checked on any of the above, please explain below):

**21. TITLE/OWNERSHIP/LITIGATION**

- |  | YES                      | NO                       |
|--|--------------------------|--------------------------|
| a) Are you aware of any person who, though not currently an owner of record, nevertheless claims an ownership interest in, or right to possess, the Property or any part of the Property? .....      | <input type="checkbox"/> | <input type="checkbox"/> |
| b) Are you aware of any ongoing or contemplated legal proceedings (e.g., probate, trust, guardianship, quiet title, specific performance) relating to the Property? .....                            | <input type="checkbox"/> | <input type="checkbox"/> |
| c) Do you have or intend to utilize a power of attorney in conjunction with the sale of the Property? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| d) Is the access road to the Property a private road? If yes, indicate whether there is a written road maintenance agreement recorded for the Property, and explain how the road is maintained. .... | <input type="checkbox"/> | <input type="checkbox"/> |
| e) Are you aware of any use (e.g., as a pathway, driveway, landscaping, etc.), continuous or otherwise, permitted or not, made on, at or of the Property by any other person? .....                  | <input type="checkbox"/> | <input type="checkbox"/> |
| f) Are you aware of any fences, walls or other constructed or natural borders relating to the Property that may be situated off the true Property line? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| g) Are you aware of any claims made by others of any license, easement (including prescriptive easement) or other right or entitlement relating to the Property? .....                               | <input type="checkbox"/> | <input type="checkbox"/> |
| h) Are you aware of the existence of any unrecorded deed, road maintenance agreement, water usage agreement or other agreement or instrument relating to the Property? .....                         | <input type="checkbox"/> | <input type="checkbox"/> |
| i) Are you aware of any lease or rental agreement that is, or is claimed to be, currently in effect as to the Property? .....  | <input type="checkbox"/> | <input type="checkbox"/> |

Explanations (If "yes" is checked on any of the above, please explain below):

**22. HOMEOWNER'S INSURANCE COVERAGE AND CLAIMS HISTORY**

- |  | YES                      | NO                       |
|--|--------------------------|--------------------------|
| a) Within the past five years have you or, to your knowledge, has any prior owner, made any claim relating to a plumbing leak or other water release, water intrusion, property damage, personal injury, or any other matter against a Homeowner's Insurance policy (i.e., fire and/or other property and personal casualty policy) covering the Property? ..... | <input type="checkbox"/> | <input type="checkbox"/> |
- If yes, please identify the following *as to each claim* (use additional pages, if necessary):
- 1) name of claimant \_\_\_\_\_
  - 2) insurance company and policy number \_\_\_\_\_
  - 3) approximate date of the claim \_\_\_\_\_
  - 4) nature of the claim, and how resolved, if known \_\_\_\_\_





2. **SQUARE FOOTAGE, LOT SIZE AND BOUNDARIES:** Buyer and Seller are advised that only an appraiser or land surveyor, as applicable, can reliably confirm square footage, lot size, Property corners and exact boundaries of the Property. Representations regarding these items that are made in a Multiple Listing Service, advertisements, and from property tax assessor records are often approximations, or based upon inaccurate or incomplete records. Fences, hedges, walls or other barriers may not represent actual boundary lines. Brokers have not verified any such representations. Brokers do not have expertise in this area. If Buyer wants information about the exact square footage, lot size or location of Property corners or boundaries, Broker recommends that Buyer hire an appraiser or licensed surveyor to investigate these matters during Buyer's inspection contingency period.

3. **SOIL AND GEOLOGIC CONDITIONS:** Buyer and Seller are advised that real estate in California is subject to settling, slippage, contraction, expansion, subsidence, earthquakes and other land movement. The Property may be constructed on fill or improperly compacted soil and may have inadequate drainage capability. Any of these matters can cause structural problems to improvements on the Property. Civil or geo-technical engineers are best suited to evaluate soil stability, grading, drainage and other soil conditions. Additionally, the Property may have known or unknown mines, mills, caves or wells. Brokers do not have expertise in this area. If Buyer wants further information, Broker recommends that Buyer hire an appropriate professional. Not all inspectors are licensed and licenses are not available for all types of inspections.

4. **GEOLOGIC HAZARDS:** Buyer and Seller are advised that California has experienced earthquakes in the past, and there is always a potential of future earthquakes. Damage caused by an earthquake may not be discoverable by Buyer's or Brokers visual inspection. Inspection by a licensed, qualified professional is strongly recommended to determine the structural integrity and safety of all structures and improvements on the Property. If the Property is a condominium, or located in a planned unit development or in a common interest subdivision, Buyer is advised to contact the homeowners association about earthquake repairs and retrofit work and the possibility of an increased or special assessment to defray the costs of earthquake repairs or retrofit work. Buyer is encouraged to obtain and read the booklet entitled "The Homeowners Guide to Earthquake Safety." In most cases a questionnaire within the booklet must be completed by Seller and the entire booklet given to the Buyer if the Property was built prior to 1960. If the Property was built before 1975 and contains structures constructed of masonry or precast (tilt up) concrete walls, with wood frame floors or roof, or the building has unreinforced masonry walls, then Seller must provide Buyer a pamphlet entitled "The Commercial Property Owner's Guide to Earthquake Safety." Many areas have a wide range of geologic problems and numerous studies have been made of these conditions. Some of this information is available for public review at city and county planning departments. Buyer is encouraged to review the public maps and reports and/or obtain a geologist's inspection report. Brokers do not have expertise in this area. Buyer may be able to obtain earthquake insurance to protect their interest in the Property. Sellers who agree to provide financing should also consider requiring Buyers to obtain such insurance.

5. **ENVIRONMENTAL HAZARDS:** Buyer and Seller are advised that the presence of certain kinds of organisms, toxins and contaminants, including, but not limited to, mold (airborne, toxic or otherwise), fungi, mildew, lead-based paint and other lead contamination, asbestos, formaldehyde, radon, methane, other gases, fuel oil or chemical storage tanks, contaminated soil or water, hazardous waste, waste disposal sites, electromagnetic fields, nuclear sources, urea formaldehyde, or other materials may adversely affect the Property and the health of individuals who live on or work at the property as well as pets. If Buyer wants further information, Buyer is advised and Broker recommends that Buyer have the Property inspected for the existence of such conditions and organisms, and conditions that may lead to their formation. Not all inspectors are licensed and licenses are not available for all types of inspection activities. Buyer is also advised to consult with appropriate experts regarding this topic during Buyer's inspection contingency period. Brokers do not have expertise in this area. Broker recommends that Buyer and Seller read the booklets titled, "Residential Environmental Hazards: A Guide for Homeowners, Homebuyers, Landlords and Tenants," and "Protect Your Family From Lead In Your Home."

6. **MOLD:** Buyer and Seller are advised that the presence of certain kinds of mold, fungi, mildew and other organisms, sometimes referred to as "toxic mold" (collectively "Mold") may adversely affect the Property and the health of individuals who live on or work at the Property as well as pets. Mold does not affect all people the same way and may not affect some people at all. Mold may be caused by water leaks or other sources of moisture such as, but not limited to, flooding, and leaks in windows, pipes and roof. Seller is advised to disclose the existence of any such conditions of which he or she is aware. Buyer should carefully review all of Seller's disclosures for any indication that any of these conditions exist. It is, however, possible that Mold may be hidden and that Seller is completely unaware of its existence. In addition, Mold is often undetectable from a visual inspection, a professional property inspection and even a structural pest control inspection. Brokers do not have expertise in this area. If Buyer wants further information, Broker recommends that Buyer have the Property tested for Mold by an environmental hygienist or other appropriate professional during Buyer's inspection contingency period. Not all inspectors are licensed and licenses are not available for all types of inspection activities.

Buyer's Initials ( ) ( )  
Seller's Initials ( ) ( )  
Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



**7. WATER INTRUSION:** Buyer and Seller are advised that many homes suffer from water intrusion or leakage. The causes of water intrusion are varied, and can include defective construction, faulty grading, deterioration of building materials and absence of waterproof barriers. Water intrusion can cause serious damage to the Property. This damage can consist of wood rot, mold, mildew and even damage to the structural integrity of the Property. The cost of repairing and remediating water intrusion damage and its causes can be very significant. The existence and cause of water intrusion is often difficult to detect. Because you, your Broker or a general home inspector cannot visually observe any effects of water intrusion, Buyer and Seller should not assume that such intrusion does not exist. Broker recommends that Buyer have the Property inspected for water intrusion by an appropriate professional. Brokers do not have expertise in this area.

**8. SEPTIC SYSTEM(S):** Buyer and Seller are advised that a property may be served by one or more septic systems even though adjoining properties are connected to a sewer line. Buyer and Seller are also advised that some septic tanks and systems may have been abandoned or have leaked into ground water sources. Buyer is advised to contact the appropriate government agency to verify that the Property is connected to a sewer or served by a septic system. If the Property is served by a septic system it may consist of a septic tank, cesspool, pits, leach lines or a combination of such mechanisms ("collectively, System"). No representation or warranty is made by Seller or Broker concerning the condition, operability, size, capacity or future expansion of a System, nor whether a System is adequate for use by the intended occupants of the Property. A change in the number of occupants or the quantity, composition or methods of depositing waste may affect the efficiency of the System. In addition, the amount of rainfall and ground water table may also affect the efficiency of the System. Many factors including, but not limited to, natural forces, age, deterioration of materials and the load imposed on a System can cause the System to fail at any time. Broker recommends that Buyer obtain an independent evaluation of any System by a qualified sanitation professional during Buyer's inspection contingency period. Brokers do not have expertise in this area. Buyer should consult with their sanitation professional to determine if their report includes the tank only, or other additional components of the System such as pits and leach fields. Not all inspectors are licensed and licenses are not available for all types of inspection activities. In some cases, Buyer's lender as well as local government agencies may require System inspection. System-related maintenance costs may include, but not be limited to, locating, pumping or providing outlets to ground level. Brokers are unable to advise Buyer or Seller regarding System-related issues or associated costs, which may be significant. If Buyer and Seller agree to obtain a System inspection, Buyer and Seller are cautioned that the inspection cost may include, but not be limited to, the costs of locating, pumping or providing outlets to ground level.

**9. WELL AND WATER SYSTEM(S):** Buyer and Seller are advised that the Property may be served by one or more water wells, springs, or private community or public water systems. Any of these private or public water systems may contain bacteria, chemicals, minerals and metals, such as chromium. Well(s) may have been abandoned on the Property. Buyer is advised to have both the quality and the quantity of water evaluated, and to obtain an analysis of the quality of any domestic and agricultural water in use, or to be used at the Property, from whatever source. Water quality tests can include not only tests for bacteria, such as coliform, but also tests for organic and inorganic chemicals, metals, mineral content and gross alpha testing for radioactivity. Broker recommends that Buyer consult with a licensed, qualified well and pump company and local government agency to determine whether any well/spring or water system will adequately serve Buyer's intended use and that Buyer have a well consultant perform an extended well output test for this purpose. Water well or spring capacity, quantity output and quality may change at any time. There are no guarantees as to the future water quality, quantity or duration of any well or spring. If Buyer wants further information, Broker recommends that Buyer obtain an inspection of the condition, age, adequacy and performance of all components of the well/spring and any water system during Buyer's inspection contingency period. Brokers do not have expertise in this area.

**10. WOOD DESTROYING PESTS:** Buyer and Seller are advised that the presence of, or conditions likely to lead to the presence of, or other infestation or infection of wood destroying pests and organisms may adversely affect the Property. Inspection reports covering these items can be separated into two sections: Section 1 identifies areas where infestation or infection is evident. Section 2 identifies areas where there are conditions likely to lead to infestation or infection. Brokers do not have expertise in this area. If Buyer wants further information, Buyer is advised and Broker recommends that Buyer have the Property inspected for the existence of such conditions and organisms, and conditions that may lead to their formation by a registered structural pest control company during Buyer's inspection contingency period.

**11. EASEMENTS, ACCESS AND ENCROACHMENTS:** Buyer and Seller are advised that confirming the exact location of easements, shared or private driveways or roadways, and encroachments on or to the Property may be possible only by conducting a survey. There may be unrecorded easements, access rights, encroachments and other agreements affecting the Property that may not be disclosed by a survey. Representations regarding these items that are made in a Multiple Listing Service, advertisements, or plotted by a title company are often approximations, or based upon inaccurate or incomplete records. Brokers have not verified any such representations. If Buyer wants further information Buyer is advised and Broker recommends that Buyer hire a licensed surveyor during Buyer's inspection contingency period. Brokers do not have expertise in this area.

Buyer's Initials [Signature] (\_\_\_\_) (\_\_\_\_)  
Seller's Initials [Signature] (\_\_\_\_) (\_\_\_\_)  
Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



**12. EARTHQUAKE FAULT ZONES AND SEISMIC HAZARD ZONES:** Buyer and Seller are advised that California Public Resources Code Sections 2622 and 2696 require the delineation and mapping of "Earthquake Fault Zones" along known active faults and "Seismic Hazard Zones" in California. Affected cities and counties must regulate certain development projects within these zones. Construction or development on affected properties may be subject to the findings of a geological report prepared by a registered California geologist. Generally, Seller must disclose if the Property is in such a zone and can use a research company to aid in the process. If Buyer wants further information, Broker recommends that, during Buyer's inspection contingency period, Buyer make independent inquiries with such research companies or with appropriate government agencies concerning the use and improvement of the Property. Brokers do not have expertise in this area. Buyer is advised that there is a potential for earthquakes and seismic hazards even outside designated zones.

**13. FIRE HAZARDS:** Buyer and Seller are advised that fires annually cause the destruction of thousands of homes. Due to varied climate and topography, certain areas have higher risks of fires than others. Certain types of materials used in home construction create a greater risk of fire than others. If the Property is located within a State Fire Responsibility Area or a Very High Fire Hazard Zone, generally Seller must disclose that fact to Buyer under California Public Resources Code Section 4136 and California Government Code Sections 51178 and 51183.5, and can use a research company to aid in the process. If Buyer wants further information, Broker recommends that, during Buyer's inspection contingency period, Buyer contact the local fire department and Buyer's insurance agent regarding the risk of fire. Brokers do not have expertise in this area. Buyer is advised that there is a potential for fires even outside designated zones.

**14. FLOOD HAZARDS:** Buyer and Seller are advised that if the Property is located within a Special Flood Hazard Area, as designated by the Federal Emergency Management Agency, or an area of Potential Flooding pursuant to California Government Code Section 8589.3, generally Seller must disclose this fact to Buyer and can use a research company to aid in the process. The National Flood Insurance Program was established to identify all flood plain areas and establish flood-risk zones within those areas. The program mandates flood insurance for properties within high-risk zones if loans are obtained from a federally-regulated financial institution or are insured by any agency of the United States Government. The extent of coverage and costs may vary. If Buyer wants further information, Broker recommends that Buyer consult his or her lender and/or insurance agent during Buyer's inspection contingency period. Brokers do not have expertise in this area. Buyer is advised that there is a potential for flooding even outside designated zones.

**15. BUILDING PERMITS, ZONING AND CODE COMPLIANCE:** Buyer and Seller are advised that any structure on the Property, including the original structure and any addition, modification, remodel or improvement may have been built without permits, not according to building codes, or in violation of zoning laws. Further, even if such structure was built according to the then-existing code or zoning requirement, it may not be in compliance with current building standards or local zoning. It is also possible that local law may not permit structures that now exist to be rebuilt in the event of damage or destruction. Buyer is advised to check with appropriate government agencies or third party professionals to verify permits and legal requirements and the effect of such requirements on current and future use of the Property, its development and size. If Buyer wants further information Broker recommends that Buyer discuss the issue with an appropriate professional during Buyer's inspection contingency period. Brokers do not have expertise in this area.

**16. VIEWS:** Buyer and Seller are advised that present views from the Property may be affected by future development or growth of trees and vegetation on adjacent properties and any other property within the line of sight of the Property. Broker makes no representation regarding the preservation of existing views. If Buyer wants further information, Broker recommends that Buyer review Covenants, Conditions and Restrictions, if any, and contact neighboring property owners, government agencies and homeowner associations, if any, during Buyer's inspection contingency period. Brokers do not have expertise in this area.

**17. FUTURE REPAIRS, REPLACEMENTS AND REMODELS:** Buyer and Seller are advised that replacement or repairs of certain systems or remodels of portions of the Property may trigger requirements that homeowners comply with laws and regulations that either come into effect after Close of Escrow or are not required to be complied with until the replacement, repair or remodel has occurred. Permit or code requirements or building standards may change after Close of Escrow, resulting in increasing costs to repair existing features. In particular, changes to state and federal energy efficiency regulations impact the installation, replacement and some repairs of heating and air conditioning units (HVAC). Federal regulations now require manufacturers of HVAC units to produce only units meeting a new higher Seasonal Energy Efficiency Rating (SEER). This will likely impact repairs and replacements of existing HVAC units. State regulations now require that when installing or replacing HVAC units, with some exceptions, duct work must be tested for leaks. Duct work leaking more than 15 percent must be repaired to reduce leaks. The average existing duct work typically leaks 30 percent. More information is available at the California Energy Commission's website <http://www.energy.ca.gov/title24/changeout>. Home warranty policies may not cover such inspections or repairs. If Buyer wants further information Broker recommends that Buyer discuss the issue with an appropriate professional during Buyer's inspection contingency period. Brokers do not have expertise in this area.

**18. ERRANT GOLF BALLS:** Buyer and Seller are advised that if the Property is located adjacent to or near a golf course there is a possibility that golf balls may damage the Property or injure persons or pets on it. Additionally, persons playing golf may enter the Property to retrieve errant golf balls or for other purposes. Broker recommends that Buyer investigate this

Buyer's Initials ( ) ( )  
Seller's Initials ( ) ( )

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



possibility during Buyer's Inspection contingency period. Brokers do not have expertise in this area.

**19. SCHOOLS:** Buyer and Seller are advised that children living in the Property may not, for numerous reasons, be permitted to attend the school nearest the Property. Various factors including, but not limited to, open enrollment policies, busing, overcrowding and class size reductions may affect which public school serves the Property. School district boundaries are subject to change. Buyer is advised to verify whether the Property is now, and at the Close of Escrow will be, in the school district Buyer understands it to be in and whether residing in the Property entitles a person to attend any specific school that Buyer is interested in. Broker recommends that Buyer contact the local school or school district for additional information during Buyer's inspection contingency period. Brokers do not have expertise in this area.

**20. NEIGHBORHOOD NOISE SOURCES:** Buyer and Seller are advised that even if the Property is not in an identified airport noise influence area the Property may still be subject to airplanes and other aircraft, commercial or military or both, flying overhead. Other common sources of noise include traffic on streets and highways, trains and general neighborhood noise from people, dogs and other animals. Noise levels and types of noise that bother one person may be acceptable to others. Buyer is advised to satisfy him/herself with regard to any sources of and amounts of noise at different times of day and night. Brokers do not have expertise in this area.

**21. PETS AND ANIMALS:** Buyer and Seller are advised that the current or previous owner(s) may have had domesticated or other pets and animals at the Property. Odors from animal urine contamination may be dormant for long periods of time and then become active because of heat, humidity or other factors and may not be eliminated by cleaning or replacing carpets or other cleaning. Pet urine and feces can also damage hardwood floors and other floor coverings. Additionally, an animal may have had fleas, ticks and other pests that remain on the Property after the animal has been removed. If Buyer wants further information, Broker recommends that Buyer discuss the issue with an appropriate professional during Buyer's inspection contingency period. Brokers do not have expertise in this area.

**22. SECURITY AND SAFETY:** Buyer and Seller are advised that state and local Law may require the installation of barriers, access alarms, self-latching mechanisms and/or other measures to decrease the risk to children and other persons of existing swimming pools and hot tubs, as well as various fire safety and other measures concerning other features of the Property. Compliance requirements differ from city to city and county to county. Unless specifically agreed, the Property may not be in compliance with these requirements. Brokers do not have expertise in this area. If Buyer wants further information, Broker recommends that Buyer contact local government agencies about these restrictions and other requirements.

**23. RETROFIT:** Buyer and Seller are advised that state and local Law may require the installation of operable smoke detectors, bracing or strapping of water heaters, and completion of a corresponding written statement of compliance that is delivered to Buyer. Some city and county governments may impose additional retrofit standards, including, but not limited to, installing low-flow toilets and showerheads, gas shut-off valves, and tempered glass. Brokers do not have expertise in this area. Broker recommends that Buyer and Seller consult with the appropriate government agencies, inspectors, and other professionals to determine the retrofit standards for the Property, the extent to which the Property complies with such standards, and the costs, if any, of compliance.

**24. WATER SHORTAGES AND CONSERVATION:** Buyer and Seller are advised that the Property may be located in an area that could experience water shortages. The policies of local water districts and the city or county in which the Property is located can result in the occurrence of any or all of the following: (i) limitations on the amount of water available to the Property, (ii) restrictions on the use of water, and (iii) an increasingly graduated cost per unit of water use, including, but not limited to, penalties for excess usage. For further information, Broker recommends that Buyer contact the supplier of water to the Property regarding the supplier's current or anticipated policies on water usage and to determine the extent to which those policies may affect Buyer's intended use of the Property. If the Property is serviced by a private well, Buyer is advised that drought conditions and/or a low water table may make it necessary to arrange, through a private supplier, for delivery of water to the Property. Buyers should contact water truck companies for the costs involved. Brokers do not have expertise in this area.

**25. NEIGHBORHOOD, AREA: PERSONAL FACTORS:** Buyer and Seller are advised that the following may affect the Property or Buyer's intended use of it: neighborhood or area conditions, including schools, proximity and adequacy of law enforcement, crime, fire protection, other government services, availability, adequacy and cost of any speed-wired, wireless internet connections or other telecommunications or other technology services and installations, proximity to manufacturing, commercial, industrial, airport or agricultural activities or military ordnance locations, existing and proposed transportation, construction, and development, any other source that may affect noise, view, traffic, or odor, wild and domestic animals, other nuisances, hazards, or circumstances, protected species, wetland properties, botanical diseases, historic or other governmentally-protected sites or improvements, cemeteries, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of Buyer.

Buyer's Initials [Signature] ( ) ( )  
Seller's Initials [Signature] ( ) ( )

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



**26. INSURANCE:** Buyer and Seller are advised that Buyer may have difficulty obtaining insurance regarding the Property if there has been a prior insurance claim affecting the Property or made by Buyer but unrelated to the Property. Seller is required by C.A.R. Form RPA to disclose known insurance claims made during the past five years. Sellers may not be aware of past claims prior to their ownership. If Buyer wants further information, Broker recommends that, during Buyer's inspection contingency period, Buyer conduct his or her own investigation for past claims. Buyer may need to obtain Seller's consent in order to have access to certain investigation reports. If the Property is a condominium, or is located in a planned unit development or other common interest subdivision, Buyer and Seller are advised to determine if the individual unit is covered by the Homeowner Association Insurance. Broker recommends that Buyer consult Buyer's insurance agents during Buyer's inspection contingency period to determine the need availability and possibility of securing any and all forms of other insurance or coverage or any conditions imposed by insurer as a requirement of issuing insurance. If Buyer takes possession prior to Close of Escrow or Seller remains in possession after Close of Escrow, whether for a limited or extended period of time, Broker recommends that Buyer and Seller each consult with their own insurance agent regarding insurance or coverage that could protect them in the transaction (including but not limited to: personal property, flood, earthquake, umbrella and renter's). Brokers do not have expertise in this area.

**27. CALIFORNIA FAIR PLAN:** Buyer and Seller are advised that insurance for certain hillside, oceanfront and brush properties may be available only from the California Fair Plan. This may increase the cost of insurance for such properties and coverage may be limited. Broker recommends that Buyer consult with Buyer's own insurance agent during Buyer's inspection contingency period regarding the availability of coverage under the California Fair Plan and the length of time it may take for processing of a California Fair Plan application. Brokers do not have expertise in this area.

**28. HISTORICAL DESIGNATION, COASTAL COMMISSION, ARCHITECTURAL, LANDSCAPE AND OTHER RESTRICTIONS ON BUILDINGS OR IMPROVEMENTS:** Buyer and Seller are advised that the Property may be: (i) designated as a historical landmark, (ii) protected by a historical conservancy, (iii) subject to an architectural or landscaping review process, and (iv) within the jurisdiction of the California Coastal Commission or other government agency. If the Property is so designated or within the jurisdiction of any such, or similar, government agency then there may be restrictions on Buyer's ability to develop, remove or trim trees or other landscaping, remodel, and make improvements to or rebuild the Property. Broker recommends that Buyer satisfy him/herself during Buyer's inspection contingency period if any of these issues are of concern to Buyer. Brokers do not have expertise in this area.

**29. 1915 BOND AND MELLO-ROOS COMMUNITY AND OTHER FACILITIES DISTRICTS:** Buyer and Seller are advised that the Property may be subject to an improvement bond assessment under the Improvement Bond Act of 1915 and/or a levy of a special tax pursuant to a Mello-Roos community facilities or other district. Seller is generally required to make a good faith effort to obtain a disclosure notice from any local agency collecting such taxes and deliver such notice to Buyers. Brokers do not have expertise in this area.

**30. HOMEOWNER ASSOCIATIONS AND COVENANTS, CONDITIONS AND RESTRICTIONS (CC&Rs):** Buyer and Seller are advised that if the Property is a condominium, or located in a planned unit development, or in a common interest subdivision there are typically restrictions on use of the Property and rules that must be followed. Restrictions and rules are commonly found in Declarations of Covenants, Conditions and Restrictions (CC&Rs) and other governing documents. Further there is likely to be a homeowner association (HOA) that has the authority to affect the Property and its use. Whether or not there is a HOA, the Property may still be subject to CC&Rs restricting use of the Property. The HOA typically has the authority to enforce the rules of the association, assess monetary payments (both regular monthly dues and special assessments) to provide for the upkeep and maintenance of the common areas, and enforce the rules and assessment obligations. If you fail to abide by the rules or pay monies owed to the HOA, the HOA may put a lien against your Property. The law requires the Seller to provide the Buyer with the CC&Rs and other governing documents as well as a copy of the HOA's current financial statement and operating budget, among other documents. Buyer is advised to carefully review all HOA documents provided by Seller and the CC&Rs, if any, and satisfy him/herself regarding the use and restrictions of the Property, the amount of monthly dues and/or assessments, the adequacy of reserves, current and past insurance coverage and claims and the possibility of any legal action that may be taken by or against the HOA. The HOA may not have insurance or may not cover personal property belonging to the owner of the unit in the condominium, common interest or planned unit development. See paragraph 26 for further information regarding insurance. Brokers do not have expertise in this area.

**31. COMMUNITY ENHANCEMENT FEES:** Buyer and Seller are advised that some areas or communities may have enhancement fees and user-type fees over and above any stated association fees. Brokers do not have expertise in this area.

Buyer's Initials (Signature) (\_\_\_\_\_) (\_\_\_\_\_)  
Seller's Initials (Signature) (\_\_\_\_\_) (\_\_\_\_\_)  
Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



Property Address:

1290 Shaw Park Dr # 48 Montebello Park, CA 91077

32. GENERAL RECALL/DEFECTIVE PRODUCT/CLASS ACTION INFORMATION: Buyer and Seller are advised that government entities and manufacturers may at any time issue recall notices and/or warnings about products that may be present in the Property, and that these notices or warnings can change. There is no single, all-inclusive source of information on product recalls, defective products or class actions; however, the U.S. Consumer Product Safety Commission (CPSC) maintains a website that contains useful information. If Buyer wants further information regarding the items listed below, Broker recommends that Buyer consult the CPSC website at http://www.cpsc.gov during Buyer's inspection contingency period. The following are examples of recall/defective products/class action information. The information is not exclusive. If Buyer wants further information, Broker recommends that Buyer contact the sources below. Brokers do not have expertise in this area and will not determine if any aspect of the Property is subject to a recall or is affected by a class action lawsuit. (NOTE While the information below is believed to be current as of the revision date of this form, phone numbers and web addresses may change or be discontinued.)

A. FURNACES: Buyer is advised that the CPSC has issued a warning regarding certain gas-fired horizontal forced-air furnaces that present a substantial risk of fire. The furnaces in question were manufactured from 1983 to 1994 by Consolidated Industries and were marketed under many different brand names. Homes built before 1983 or after 1994 could still have the furnaces in question due to replacements or remodeling. If Buyer wants further information, Broker recommends that Buyer contact CPSC's hotline at (800) 638-2772.

B. WHIRLPOOL MICROWAVE-HOOD COMBINATION: Buyer is advised that Whirlpool Corporation has voluntarily recalled approximately 1.8 million microwave-hood combinations that have been known to overheat and catch fire. The units at issue are installed above ranges and are sold under the Whirlpool, KitchenAid and Kenmore brand names. If Buyer wants further information, Broker recommends that Buyer contact Whirlpool by phone at (800) 785-8897 or at its website, http://www.repair.whirlpool.com.

C. ROOF TILES: Buyer is advised that there is a class action lawsuit concerning certain fire free tiles and quantum panels manufactured and installed by RE-Con Building Products, Inc. from December 1993 to November 1997. If Buyer wants further information, Broker recommends that Buyer call (800) 966-3696 or view the website at http://www.firefreeclaims.com.

D. FIRE SPRINKLER: Buyer is advised that Central Sprinkler Company is recalling 35 million fire sprinkler heads that may be defective. If Buyer wants further information, Broker recommends that Buyer consult the CPSC website at http://www.cpsc.gov or Central Sprinkler Company at (866) 505-8553 or http://www.sprinklerreplacement.com.

E. WATER HEATER: Buyer is advised that certain water heaters manufactured by a variety of companies between 1993 and 1997 may be defective. If Buyer wants further information, Broker recommends that Buyer discuss the issue with an appropriate professional who can determine if the water heater on the Property is defective.

F. ALUMINUM WIRING: Buyer is advised that some properties in California are wired in whole or in part with aluminum wiring which was approved at the time of construction but subsequently determined to be a potential hazard. If Buyer wants further information, Broker recommends that Buyer discuss the issue with an appropriate professional who can determine if the wiring on the Property is defective.

G. GALVANIZED, ABS, POLYBUTYLENE AND COPPER PIPE: Buyer is advised that galvanized steel water pipes may corrode and leak after several years and that ABS plastic drain waste and vent pipe may be subject to failure. Buyer is also advised that the adhesive used in the installation of polybutylene pipe has been subject to failure. Additionally, copper pipe installed in slabs may develop leaks as result of reaction to certain soils. If Buyer wants further information, Broker recommends that Buyer discuss the issue with an appropriate professional who can determine if the water pipes and drains on the Property are defective.

H. WATER HEATER GAS CONTROL VALVES: Buyer is advised that the CPSC in cooperation with Robertshaw Controls Company has announced a voluntary recall of approximately 178,000 gas control valves installed on water heaters manufactured between July 2005 and August 2005 with production date codes 5-31 through and including 5-33 under brand names American Proline, Bradford White, GE, GSE, Hotpoint, Jetglas, John Wood, Lochinvar, Premire Plus, Powerflex, Rheem, Richmond, Ruud, Vanguard, Whirlpool and U.S. Craftsman. The CPSC reports that the screws on the valves could break allowing gas to escape from the valves. If Buyer wants further information, Broker recommends that Buyer consult the CPSC website at http://www.cpsc.gov or contact Robertshaw Controls at (888) 225-1071 or http://www.robertshaw.com

I. ARC-FAULT CIRCUIT BREAKER: Buyer is advised that the CPSC in cooperation with Schneider Electric has announced a voluntary recall of approximately 700,000 Square D Q<sup>®</sup> and Homeline<sup>®</sup> AFCI circuit breakers manufactured by Schneider Electric North American Operating Division. The recalled arc-fault interrupter circuit breakers are designed for use in 15 and 20-amp branch circuits; have a blue test button and were manufactured between March 2004 and September 2004. Tests show that these circuit breakers may not provide the arc-fault protection required by the 2001 California Electrical Code, Section 210-21. If Buyer wants further information, Broker recommends that Buyer consult the CPSC website at http://www.cpsc.gov or contact Schneider Electric at (877) 202-9064 or http://www.us.squaed.com/recallafci.

Buyer's Initials ( ) ( )

Seller's Initials ( ) ( )

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



**33. RENTAL PROPERTY RESTRICTIONS:** Buyer and Seller are advised that some cities and counties impose restrictions that limit the rent that can be charged to a tenant, the maximum number of tenants who can occupy the property and the right of a landlord to terminate a tenancy and the costs to do so. If Buyer wants further information, Broker recommends that Buyer investigate the issue with an appropriate government authority during Buyer's inspection contingency period. Brokers do not have expertise in this area.

**34. LAND LEASE:** Buyer and Seller are advised that certain developments are built on leased land. This means that: (i) Buyer does not own the land, (ii) the right to occupy the land will terminate at some time, (iii) the cost to lease the land may increase at some point in the future, and (iv) Buyer may not be able to obtain title insurance. If Buyer wants further information, Broker recommends that Buyer discuss the issue with an attorney or other appropriate professional. Brokers do not have expertise in this area.

**35. HOME WARRANTY:** Buyer and Seller are advised that Buyer and Seller can purchase home warranty plans covering certain standard systems of the Property both before and after Close of Escrow. Seller can obtain coverage for the Property during the listing period. For an additional premium, an upgraded policy providing additional coverage for air conditioning, pool and spa and other features can be purchased. Home warranties do not cover every aspect of the Property and may not cover inspections or upgrades for repairs required by state or federal laws. Broker recommends that Buyer review the policy for details. Brokers do not have expertise in this area.

**36. INTERNET ADVERTISING:** Buyer and Seller are advised that Broker may employ a service to provide a "virtual tour" or Internet marketing of the Property, permitting potential buyers to view the Property over the Internet. Neither the service provider nor Broker has control over who will obtain access to the service or what action such persons might take. Buyer and Seller are advised that Brokers have no control over how long the information concerning the Property will be available on the Internet. Brokers do not have expertise in this area.

**37. ESCROW FUNDS:** Buyer and Seller are advised that California Insurance Code Section 12413.1 provides that escrow companies cannot disburse funds unless there are sufficient "good funds" to cover the disbursement. "Good funds" are defined as cash, wire transfers and cashiers' or certified checks drawn on California depositories. Escrow companies vary in their definitions of "good funds." Broker recommends that Buyer and Seller ask the escrow company regarding its treatment of "good funds." All drafts and out-of-state checks are subject to waiting periods and do not constitute "good funds" until the money is physically transferred to the escrow holder's account. Brokers do not have expertise in this area.

**38. NOTICE OF YOUR "SUPPLEMENTAL" PROPERTY TAX BILL:** Buyer and Seller are advised that pursuant to Civil Code § 1102.6(c), Seller or his or her agent is required to provide the following "Notice of Your 'Supplemental' Property Tax Bill" to the Buyer:

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

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

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

Although the notice refers to loan closing as a trigger, it is actually the change of ownership which triggers this reassessment. Therefore, the Property can be reassessed even if there is no loan involved in the purchase of the Property. The purchase agreement may allocate supplemental tax bills received after the Close of Escrow to the Buyer. If Buyer wants further information concerning these matters, Broker recommends that Buyer discuss the issue with the County Assessor or Tax Collector. Brokers do not have expertise in this area.

**39. NON CONFIDENTIALITY OF OFFERS:** Buyer is advised that Seller or Listing Agent may disclose the existence, terms, or conditions of Buyer's offer unless all parties and their agent have signed a written confidentiality agreement. Whether any such information is actually disclosed depends on many factors, such as current market conditions, the prevailing practice in the real estate community, the Listing Agent's marketing strategy and the instructions of the Seller.

Buyer's Initials: ( JD ) ( \_\_\_\_\_ )  
Seller's Initials: ( JD ) ( \_\_\_\_\_ )

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



**40. FIRPTA/CALIFORNIA WITHHOLDING:** Buyer and Seller are advised that: (i) Internal Revenue Code section 1445 requires a Buyer to withhold and remit to the Internal Revenue Service 10% of the purchase price if Seller is a non-resident alien, unless an exemption applies. Seller may avoid withholding by providing Buyer a statement of non-foreign status. The statement must be signed by Seller under penalty of perjury and include Seller's tax identification number. Buyer can also avoid the federal withholding requirement if the property price is \$300,000 or less and the Buyer signs an affidavit stating Buyer intends to occupy the property as a principal residence. (ii) California Revenue and Taxation Code Section 18662 requires that a Buyer withhold and remit to the California Franchise Tax Board 3 1/3% of the purchase price unless the Seller signs an affidavit that the property was the Seller's (or the decedent's if a trust or probate sale) principal residence or that the sales price is \$100,000 or less or another exemption applies. Exemptions from withholding also apply to legal entities such as corporations, LLCs, and partnerships. Brokers cannot give tax advice. Broker recommends that Buyer and Seller seek advice from a CPA, attorney or taxing authority. Brokers do not have expertise in this area.

**41. LIQUIDATED DAMAGES:** Buyer and Seller are advised that a liquidated damages clause is a provision Buyer and Seller can use to agree in advance to the amount of damages that a seller will receive if a buyer breaches the agreement. The clause usually provides that a seller will retain a Buyer's initial deposit paid if the Buyer breaches the agreement, and generally must be separately initialed by both parties to be enforceable. For any additional deposits to be covered by the liquidated damages clause, there generally must be another separately signed or initialed agreement. However, if the Property contains from 1 to 4 units, one of which the Buyer intends to occupy California Civil Code Section 1675 the amount of the deposit subject to liquidated damages to 3% of the purchase price. Even though both parties have agreed to a liquidated damages clause, an escrow company will usually require either a judge's or arbitrator's decision or instructions signed by both parties in order to release the Buyer's deposit to the Seller. Buyers and Sellers must decide on their own, or with the advice of legal counsel, whether to agree to a liquidated damages clause. Brokers do not have expertise in this area.

**42. MEDIATION:** Buyer and Seller are advised that mediation is a process by which the parties hire a neutral person to facilitate discussion and negotiation between the parties with the goal of helping them reach a settlement of their dispute. The parties generally share in the cost of this confidential, non-binding negotiation. If no agreement is reached, either party can pursue further legal action. Under C.A.R. Form RPA-CA; (i) the parties must mediate any dispute arising out of their agreement (with a few limited exceptions, such as matters within the jurisdiction of a small claims court) before they resort to arbitration or court, and (ii) if a party proceeds to arbitration or court without first attempting to mediate the dispute, that party risks losing the right to recover attorney fees even if he or she prevails.

**43. ARBITRATION:** Buyer and Seller are advised that arbitration is a process by which the disputing parties hire a neutral person to render a decision. Generally, arbitration is faster and less expensive than resolving disputes by litigating in court. The rules are usually less formal than in court, and it is a private process not on the public record. By agreeing to arbitration the parties give up the right to a jury trial and to appeal. Arbitration decisions have been upheld even when arbitrators have made a mistake as to the law or the facts. If the parties agree to arbitration then any dispute arising out of their agreement (with a few limited exceptions) must be submitted to binding arbitration. Buyer and Seller must weigh the benefits of a potentially quicker and less expensive arbitration against giving up the right to a jury trial and the right to appeal. Brokers cannot give legal advice regarding these matters. Buyers and Sellers must decide on their own, or with the advice of legal counsel, whether to agree to arbitration. Brokers do not have expertise in this area.

Buyer's Initials [Signature] (\_\_\_\_\_)  
Seller's Initials [Signature] (\_\_\_\_\_)  
Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



Property Address: 124C Sharon Park Dr #48 Merced Park Date: 6/18/07

**44. LOCAL ADDENDA (IF CHECKED):**

The following local disclosures or addenda are attached:

- A. \_\_\_\_\_
- B. \_\_\_\_\_
- C. \_\_\_\_\_
- D. \_\_\_\_\_

Buyer and Seller acknowledge and agree that Broker: (i) Does not decide what price Buyer should pay or Seller should accept; (ii) Does not guarantee the condition of the Property; (iii) Does not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; (iv) Does not have an obligation to conduct an inspection of common areas or areas off the site of the Property (v) Shall not be responsible for identifying defects on the Property, in common areas, or offsite unless such defects are visually observable by an inspection of reasonably accessible areas of the Property or are known to Broker; (vi) Shall not be responsible for inspecting public records or permits concerning the title or use of Property; (vii) Shall not be responsible for identifying the location of boundary lines or other items affecting title; (viii) Shall not be responsible for verifying square footage, representations of others or information contained in investigation reports, Multiple Listing Service, advertisements, flyers or other promotional material; (ix) Shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller; and (x) Shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and Seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.

By signing below, Buyer and Seller acknowledge that each has read, understands and received a copy of this Manufactured Home Purchase Agreement Addendum. Buyer and Seller are encouraged to read it carefully.

Date 9/11/07 \_\_\_\_\_ Date \_\_\_\_\_  
 BUYER [Signature] BUYER \_\_\_\_\_  
 (Print name) J. FAY (Print name) \_\_\_\_\_  
 (Address) \_\_\_\_\_

Date 6/18/07 \_\_\_\_\_ Date \_\_\_\_\_  
 SELLER [Signature] SELLER \_\_\_\_\_  
 (Print name) John Jay Julius, Successor Trustee (Print name) \_\_\_\_\_  
 (Address) \_\_\_\_\_

Real Estate Broker or Dealer (Selling Firm) ELITE REALTY SERVICES DRE or HCD Lic. # \_\_\_\_\_  
 By [Signature] DRE or HCD Lic. # 01155589 Date 10/11/2007  
 Address 2187 MORPARK AVE City SAN JOSE State CA Zip 95128  
 Telephone 408-277-8899 Fax \_\_\_\_\_ E-mail \_\_\_\_\_

Real Estate Broker or Dealer (Listing Firm) Cadwell Banker DRE or HCD Lic. # \_\_\_\_\_  
 By [Signature] DRE or HCD Lic. # 00993290 Date 6/18/07  
 Address 930 SARA PARK AVE City MERCEDES State CA Zip 94025  
 Telephone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_

THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.). NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.  
 This form is available for use by the entire real estate industry. It is not intended to identify the user as a REALTOR®. REALTOR® is a registered collective membership mark which may be used only by members of the NATIONAL ASSOCIATION OF REALTORS® who subscribe to its Code of Ethics.



Published and Distributed by:  
 REAL ESTATE BUSINESS SERVICES, INC.  
 a subsidiary of the California Association of REALTORS®  
 805 South Flower Avenue, Los Angeles, California 90020

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_





## DISCLOSURE OBLIGATIONS

Considerable confusion exists as to what Sellers are obligated to disclose, the extent of the Buyer's obligations and the duties of the Real Estate Agents. This disclosure is designed to give an over-all explanation of the respective rights and obligations of the parties in a residential real estate transaction. However, additional disclosures may be required. **Please read every section.**

### SELLERS

Unless exempt, Sellers must honestly answer all of the questions contained in the Real Estate Transfer Disclosure Statement (RETDS), a form mandated by California statutory law. The fact that the Seller has never resided in the property or is selling the property in its present condition ("as is") does not eliminate the Seller's obligation to make full disclosure. The RETDS does not establish who is obligated to correct, replace or repair any item, in that it is not a warranty or a contract but a statement of the Seller's knowledge of those material facts which affect the value or desirability of the property. Under California case law, Sellers must disclose not only current problems but also known past problems, even those which have been corrected.

The RETDS is **not** an exhaustive list of all of the issues that Sellers must disclose under California law. To facilitate complete disclosure, many Real Estate Agents provide Sellers with a Supplemental Disclosure form designed to fill in the gaps in the state-mandated form. Some purchase contracts require that Sellers complete a supplemental form.

Some of the issues which Sellers must disclose are not readily known by Sellers but are none-the-less mandatory disclosures. Under the Alquist-Friolo Earthquake Fault (also known as the "Special Studies Zone") Sellers **must** disclose if the property is located within a state delineated earthquake fault zone and if the property is located within a seismic or other geotechnical hazard as determined by local jurisdictions. Sellers **must** disclose if the property is located in a federally-designated flood hazard area and California law allows cities, counties and state agencies to control land use within flood hazard areas. Sellers **must** disclose whether the property is located within a state fire responsibility area, defined as where California has the primary financial responsibility for fire prevention. These are generally "wildland areas" which may require state-imposed additional duties. Sellers **must** also disclose if the property is subject to a Mello-Roos Facility District which is formed to finance certain public services and facilities. If such a district exists, Sellers must make a good faith effort to secure a disclosure notice from the local taxing agency and provide the completed notice to the Buyer. Sellers can either research these issues through public agencies and make the disclosures themselves or retain experts to undertake the research, make the disclosures and assume the liability for those disclosures.

Under State law, Sellers are required to disclose whether or not the property is in compliance with the smoke detector laws and whether or not water heaters have been secured by bracing, strapping or anchoring. Local laws may impose additional requirements on these and other health and safety issues.

If the property is a single unit in a common interest development, then Sellers **must** give the Buyer a copy of the governing documents of the common interest development and certain financial information. Sellers can request that the homeowners' association provide that information to the Buyer under Civil Code Section 1368. Sellers **must** also disclose past, current and proposed litigation affecting the unit and/or the common area, as well as any defects in the common area; however, the homeowners' association is not required to make those disclosures to prospective Buyers. Sellers and Buyers should understand that many common interest developments have been, are or may be involved in litigation. It should also be recognized that homeowner association fees and assessments are not fixed and can be increased.

If the property was built before 1978, then Sellers **must** disclose known lead-based paint hazards and whether the property has certain features which would constitute a weakness in the event of an earthquake.

### BUYERS

Buyers should not just rely on what Sellers or Real Estate Agents tell them about the property. Required written disclosures do not take the place of hiring expert inspectors to evaluate the size, condition and use of the property, including but not limited to governmental requirements and limitations, geological and environmental hazards, structural and non-structural systems, waste disposal, water and other utility systems and components, neighborhood conditions, and personal preference factors. Securing this information does not take the place of maintaining the property after escrow closes nor is there a guarantee that changes in those issues will not occur. Buyers have an obligation to exercise reasonable care to protect themselves "including those facts which are known to or within the diligent attention and observation of the buyer" under Civil Code Section 2079.5. When **any** problem is noted in any disclosure or inspection report, Buyers should retain appropriate experts to determine the extent of the problem and the proper means for and the cost of correcting that problem **before** escrow closes. Buyers are encouraged to personally verify the condition and uses of the property and the Seller's compliance with all contractual provisions prior to the close of escrow.

### REAL ESTATE AGENTS

Real Estate Agents are required to disclose potential agency relationships by use of a statutory form. Real Estate Agents can provide certain federal and state pamphlets regarding such issues as environmental hazards and earthquake safety. Real Estate Agents are required to conduct a competent, diligent, visual inspection of the accessible areas of the property and to disclose the results of that inspection. However, that inspection obligation does **not** include an inspection of common areas, matters off-site of the subject property or public records or permits concerning the title or use of the property. Real Estate Agents do not guarantee nor take any responsibility for the size, condition or use of the property and are not obligated to verify the Seller's disclosures. A Real Estate Agent is the person qualified to advise on real estate matters and is not obligated to give legal, insurance or tax advice.

Date: 06/18/09 Seller: [Signature] Successor Trustee  
Date: 06/18/09 Buyer: [Signature] Buyer



CERTIFICATION OF COMPLIANCE WITH WATER HEATER,  
SMOKE DETECTOR REQUIREMENTS

Revision Date 10/05



www.prdsforms.com

Property: 1790 Sharon Park Dr #48 Monte Park

**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 is advised that different or additional requirements may be imposed by local ordinance. Seller 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 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: 6/18/07

Seller: [Signature] successor trustee Seller: \_\_\_\_\_

**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 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: 6/18/07

Seller: [Signature] successor trustee Seller: \_\_\_\_\_

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

Date: 6/18/07

Buyer: [Signature] Buyer: \_\_\_\_\_

# Residential Earthquake Hazards Report

(2005 Edition)

NAME <i>1090 Sharon Park Dr #48</i>	ASSESSOR'S PARCEL NO. <i>111-080-250</i>
STREET ADDRESS <i>Mesa Park, San Mateo City</i>	YEAR BUILT
CITY AND COUNTY	ZIP CODE

Answer these questions to the best of your knowledge. If you do not have actual knowledge as to whether the weakness exists, answer "Don't Know." If your house does not have the feature, answer "Doesn't Apply." The page numbers in the right-hand column indicate where in this guide you can find information on each of these features.

	Yes	No	Doesn't Apply	Don't Know	See Page
1. Is the water heater braced, strapped, or anchored to resist falling during an earthquake?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	12
2. Is the house anchored or bolted to the foundation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	14
3. If the house has cripple walls:					16
• Are the exterior cripple walls braced?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
• If the exterior foundation consists of unconnected concrete piers and posts, have they been strengthened?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	18
4. If the exterior foundation, or part of it, is made of unreinforced masonry, has it been strengthened?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	20
5. If the house is built on a hillside:					22
• Are the exterior tall foundation walls braced?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
• Were the tall posts or columns either built to resist earthquakes or have they been strengthened?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	22
6. If the exterior walls of the house, or part of them, are made of unreinforced masonry, have they been strengthened?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	24
7. If the house has a living area over the garage, was the wall around the garage door opening either built to resist earthquakes or has it been strengthened?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	26
8. Is the house outside an Aikist-Priolo Earthquake Fault Zone (zones immediately surrounding known earthquake faults)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	36
9. Is the house outside a Seismic Hazard Zone (zone identified as susceptible to liquefaction or landsliding)?					

*To be reported on the Natural Hazards Disclosure Report*

Keep your copy of this form for future reference

If any of the questions are answered "No," the house is likely to have an earthquake weakness. Questions answered "Don't Know" may indicate a need for further evaluation. If you corrected one or more of these weaknesses, describe the work on a separate page.

I, the seller of the property described herein, I have answered the questions above to the best of my knowledge in an effort to disclose fully any potential earthquake weaknesses it may have.

**EXECUTED BY**  
*[Signature]* Successor Trustee  
 (Seller) \_\_\_\_\_ Date \_\_\_\_\_

I acknowledge receipt of this form, completed and signed by the seller. I understand that if the seller has answered "No" to one or more questions, if seller has indicated a lack of knowledge, there may be one or more earthquake weaknesses in this house.  
 \_\_\_\_\_  
 (Buyer) \_\_\_\_\_ Date *10/1/09*

This earthquake disclosure is made in addition to the standard real estate transfer disclosure statement also required by law.



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

Revision Date 6/06



www.prdforms.com

This Disclosure applies to the Real Estate  Purchase  Lease/Rental Contract ("Contract") for 1090 Sharon Park

City of Menlo Park County of San Mateo, 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. Lead exposure is especially harmful to young children and pregnant women.

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:
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:
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: 02/18/07 Seller/Lessor: [Signature] Successor Trustee JOHN M. JULYNSKI

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: 02/18/07 Seller's/Lessor's Agent: [Signature] MAYA SEWARD
Print Name: Maya Seward Company Name: Coldwell Banker

3. BUYER/LESSEE ACKNOWLEDGMENT

- a) (we) have received the "Lead Warning Statement" above.
b) (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: 02/18/07 Buyer/Lessor: [Signature]

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. §4-52(c) 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: 02/18/07 Buyer's/Lessee's Agent: [Signature]
Print Name: Sky Kim Company Name: ELITE REALTY SERVICES



# MOLD DISCLOSURE

There has been a great deal of publicity regarding the existence of toxic and non-toxic mold in homes, apartments and commercial buildings. Current information indicates that some types of mold may cause severe health problems for certain individuals, but not everyone.

Not all molds are detectable as part of a visual inspection by a Realtor or even a professional whole house inspector. It is also possible that the property could have a hidden mold problem that the seller is not aware of.

The only way to provide any reasonable assurance that the property does not have a mold or other health hazard problem is to retain the services of an environmental expert who will conduct specific tests. Normally, these tests will consist of an interior and exterior examination for airborne spores and a carpet test but other procedures may be necessary. Any visible mold should be professionally evaluated.

Broker advises that every buyer should consider having a specific mold test performed by an environmental professional as either a separate investigation or an add-on to their whole house inspection. This is especially necessary if the buyer has a known problem with mold and/or if any of the inspection reports or disclosure documents indicate that there is evidence of past or present moisture, standing water or water intrusion at the property since most mold thrives on moisture.

All inspections, including those to detect mold, should be completed within the inspection period established in the purchase contract. Any waiver or failure on the part of a buyer to complete and obtain all appropriate tests, including those for mold, is against the advice of Broker.

Some insurance companies have stopped writing homeowner's insurance policies in California as well as in other states as a result of the increase in mold claims. Many insurance companies will not write a homeowner's policy on a home that has had any mold or water intrusion claims within the last five years. Obtaining homeowner's insurance may be difficult, if not more expensive, where either the seller or the buyer has made a mold and/or water intrusion claim within the last five years. Sellers should disclose to buyers all prior claims made to their insurance carrier regarding the property within the last five years and need to detail all past or present water intrusion problems, even those that have been fixed. Buyers should assure themselves that homeowner's insurance can be obtained on the property prior to removing their inspection and/or insurance contingency.

Broker has not and cannot verify whether or not there is any health hazard at the property.

Property Address: 1290 Newton Park Dr # 48 Menlo Park

Date: 10/11/07 Buyer: [Signature] Date: \_\_\_\_\_ Buyer: \_\_\_\_\_

Date: 11/18/07 Seller: [Signature] Successor: \_\_\_\_\_ Date: \_\_\_\_\_ Seller: \_\_\_\_\_

trustee



www.ordstrimc.com

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

Revision Date 5/06

Print 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 (   M   ) ( \_\_\_\_\_ )

Copyright © 2006 Advanced Real Estate Solutions, Inc.

Seller's Initials (   [Signature]   ) ( \_\_\_\_\_ )

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: 10/1/07 Date: 06/18/07  
Buyer: [Signature] Seller: [Signature] Successor Trustee  
Buyer: \_\_\_\_\_ Seller: \_\_\_\_\_



Notice of Taxpayer Identification Number Requirement for Foreign Sellers

The Internal Revenue Service recently issued final regulations amending the Foreign Investment in Real Property Tax Act of 1980 ("FIRPTA) and requiring certain changes in closing procedures for real estate transactions involving foreign sellers.

As of November 3, 2003 a foreign seller (individuals and corporations) must provide a buyer, or buyer's agent with a U.S. taxpayer identification number. The prior regulation allowed a foreign seller to indicate that a taxpayer identification number had been applied for in order to complete the forms necessary under FIRPTA and was not required to supply a taxpayer identification number until the seller filed a U.S. federal income tax return. The taxpayer identification number will now be required on all returns, statements or other required documents, including FIRPTA forms, for all real estate closings occurring after November 3, 2003. Failure to have the required taxpayer identification number at the time of your scheduled closing could delay the closing and potentially create liability under your existing contract.

The IRS has indicated that it may take between 4-6 weeks to process any application. Coldwell Banker Residential Real Estate, Inc. strongly recommends that all foreign sellers with closings scheduled on or after November 3, 2003 promptly contact the Internal Revenue Service and/or a real estate attorney in order to obtain a taxpayer identification number and avoid delays with respect to closing transactions.

*not applicable*

Date: 06/18/07 [Signature], Successor trustee  
 Seller

Date: 07/1/07 [Signature]  
 Seller

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

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



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

Revision Date 5/06

Print Date 5/08



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 1290 Sharon Park Dr. Mendocino (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.)

4. Printed name: John Julius

8. Printed name: \_\_\_\_\_

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

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

Social Security No(s): A 570-12-7035 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 in 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 foregoing 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.

Transferor's signature: [Signature] Printed name (and, where applicable, signature authority): John M. Julius Trust Date: 05/28/07

Transferor B signature: \_\_\_\_\_ Printed name (and, where applicable, signature authority): \_\_\_\_\_ Date: \_\_\_\_\_

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

Buyer: [Signature] Buyer: \_\_\_\_\_  
Form FIRPTA Revised 5/06



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

Revision Date 5/06

Print 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...

Property 1290 Shawn Park Dr. Menlo Park (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: B. Printed name: Telephone number: Address: (Business, trust and estate entities: please enter office address)

Social Security No(s): A. 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 foregoing 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.

Transferor's signature: John M. Julius Trustee, Printed name (and, where applicable, signature authority), Date: 06/18/07

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: