

2008

Real Estate Withholding Certificate

593-C

Part I - Seller's Information

Return this form to your escrow company.

Name (including spouse/RDP, if jointly owned - see instructions - type or print) [ ] SSN or ITIN [ ] FEIN [ ] CA Corp no.
Address (including suite, room, PO Box, or PMB no.) Spouse's/RDP's or SSN or ITIN (if jointly owned)
City State ZIP Code Ownership Percentage %
Property address (if no street address, provide parcel number and county)

Read the following and check the appropriate boxes. (See line-by-line notes in the instructions.)

Part II - Certifications which fully exempt the sale from withholding:

YES NO

- 1. Does the property qualify as the seller's (or decedent's, if being sold by the decedent's estate) principal residence within the meaning of Internal Revenue Code (IRC) Section 121?
2. Did the seller (or decedent, if being sold by the decedent's estate) last use the property as the seller's (decedent's) principal residence within the meaning of IRC Section 121 without regard to the two-year time period?
3. Will the seller have a loss or zero gain for California income tax purposes on this sale?
4. Is the property being compulsorily or involuntarily converted and does the seller intend to acquire property that is similar or related in service or use to qualify for nonrecognition of gain for California income tax purposes under IRC Section 1033?
5. Will the transfer qualify for nonrecognition treatment under IRC Section 351 (transfer to a corporation controlled by the transferor) or IRC Section 721 (contribution to a partnership in exchange for a partnership interest)?
6. Is the seller a corporation (or an LLC classified as a corporation for federal and California income tax purposes) that is either qualified through the California Secretary of State or has a permanent place of business in California?
7. Is the seller a partnership (or an LLC that is classified as a partnership for federal and California income tax purposes and is not a disregarded single member LLC) with recorded title to the property in the name of the partnership or LLC?
8. Is the seller a tax-exempt entity under either California or federal law?
9. Is the seller an insurance company, individual retirement account, qualified pension/profit sharing plan, or charitable remainder trust?

Part III - Certifications that may partially or fully exempt the sale from withholding:

Real Estate Escrow Person: See instructions for amounts to withhold.

- 10. Will the transfer qualify as a simultaneous like-kind exchange within the meaning of IRC Section 1031?
11. Will the transfer qualify as a deferred like-kind exchange within the meaning of IRC Section 1031?
12. Will the transfer of this property be an installment sale that you will report as such for California tax purposes and has the buyer agreed to withhold on each principal payment instead of withholding the full amount at the time of transfer?

Part IV - Seller's Signature

Under penalties of perjury, I hereby certify that the information provided above is, to the best of my knowledge, true and correct. If conditions change, I will promptly inform the withholding agent. I understand that the Franchise Tax Board may review relevant escrow documents to ensure withholding compliance and that completing this form does not exempt me from filing a California income or franchise tax return to report this sale.
Seller's Name and Title Seller's Signature Date
Spouse's/RDP's Name Spouse's/RDP's Signature Date
Please verify that the SSN or ITIN listed above in Part I of this form is correct.

Seller: If you checked YES to any question in Part II, you are exempt from real estate withholding. If you checked YES to any question in Part III, you may qualify for a partial or complete withholding exemption. If you checked NO to all of the questions in Part II and Part III, the withholding will be 3 1/3% (.0333) of the total sales price or the optional gain on sale withholding amount certified by seller on Form 593. If you are withheld upon, the withholding agent should give you one copy of Form 593, Real Estate Withholding Tax Statement. Attach a copy to the lower front of your California income tax return and make a copy for your records.

You should keep Form 593-C for five years following the close of the transaction. You must furnish the form to the FTB upon request.

# Instructions for Form 593-C

## Real Estate Withholding Certificate

### Purpose

Use this form to determine whether you qualify for a full or partial withholding exemption.

Qualifying for an exemption from withholding or being withheld upon does not relieve you of your obligation to file a California tax return and pay any tax due on the sale of California real estate.

This form must be submitted before the close of escrow to prevent withholding on the transaction. After escrow has closed, amounts withheld may be recovered only by claiming the withholding as a credit on the appropriate year's tax return.

### Part I Seller's Information

#### Name, Address, and Taxpayer Identification Number

Enter the name, address, and tax identification number of the seller or other transferor. If the seller does not provide a tax identification number, then Form 593-C is void, and withholding is required.

If the seller is an **individual**, enter the social security number (SSN) or individual taxpayer identification number (ITIN). If the sellers are spouses/registered domestic partners (RDPs) and plan to file a joint return, enter the name and SSN or ITIN for each spouse/RDP. Otherwise, do not enter information for more than one seller. Instead, complete a separate Form 593-C for each seller.

If you do not have a SSN because you are a nonresident or a resident alien for federal tax purposes, and the IRS issued you an ITIN, enter the ITIN in the space provided for the SSN.

An ITIN is a tax processing number issued by the IRS to individuals who have a federal tax filing requirement and do not qualify for a SSN. It is a nine-digit number that always starts with the number 9.

If the seller is a **grantor trust**, enter the grantor's individual name and SSN. For tax purposes, the grantor trust is disregarded for tax purposes and the individual seller must report the sale and claim the withholding on their individual tax return. If the trust was a grantor trust that became irrevocable upon the grantor's death, enter the name of the trust and the trust's federal employer identification number (FEIN). **Do not enter the decedent's or trustee's name or SSN.**

If the seller is a **non-grantor trust**, enter the name of the trust and the trust's federal employer identification number (FEIN). **Do not enter trustee information.**

If the seller is a **single member disregarded LLC**, enter the name and tax identification number of the single member.

**Real Estate Escrow Person:** If you choose to provide a copy of Form 593-C to the buyer, delete the seller's tax identification number on the buyer's copy.

#### Ownership Percentage

Enter your ownership percentage rounded to two decimal places (e.g. 66.67%). If you are on the title for incidental purposes and you have no financial ownership, enter 0.00 and skip to Part IV. You will not be withheld upon.

Examples of sellers who are on title for incidental purposes are:

Co-signors on title (e.g., parents co-signed to help their child qualify for the loan).

Family members on title to receive property upon the owner's death.

### Part II Certifications That Fully Exempt Withholding

#### Line 1 - Principal Residence

To qualify as your principal residence under Internal Revenue Code (IRC) Section 121, you (or the decedent) generally must have owned and lived in the property as your main home for at least two years during the five-year period ending on the date of sale. Military and Foreign Service, get FTB Pub. 1032, Tax Information for Military Personnel.

You can have only one main home at a time. If you have two homes and live in both of them, the main home is the one you lived in most of the time. There are exceptions to the two-year rule if the primary reason you are selling the home is for a change in the place of employment, health, or unforeseen circumstances such as death, divorce, or termination of Registered Domestic Partnership, or loss of job, etc. For more information about what qualifies as your principal residence or exceptions to the two-year rule, get federal Publication 523, Selling Your Home. You can get this publication by accessing the Internal Revenue Service's Website at [www.irs.gov](http://www.irs.gov), or by calling the IRS at (800) 829-3676.

If only a portion of the property qualifies as your principal residence, insert the percentage allocated to the principal residence in the space above line 1 and inform the REEP.

The allocation method should be the same as the seller used to determine depreciation.

#### Line 2 - Property last used as your principal residence

If the property was last used as the seller's or decedent's principal residence within the meaning of IRC Section 121 without regard to the two-year time period, no withholding is required. If the last use of the property was as a vacation home, second home, or rental, you do not qualify. You must have lived in the property as your main home. If you have two homes and live in both of them, the main home is the one you lived in most of the time.

#### Line 3 - Loss or Zero Gain

You have a loss or zero gain for California income tax purposes when the amount realized is less than or equal to your adjusted basis. **You must complete Form 593-E, Real Estate Withholding - Computation of Estimated Gain or Loss, and have a loss or zero gain on line 16 to certify that you have a loss or zero gain on this sale.**

You may not certify that you have a net loss or zero gain just because you do not receive any proceeds from the sale or because you feel you are selling the property for less than what it is worth.

#### Line 4 - Involuntary Conversion

The property is being involuntarily or compulsorily converted when both of the following apply:

The California real property is transferred because it was (or threatened to be) seized, destroyed, or condemned within the meaning of IRC Section 1033.

The transferor (seller) intends to acquire property that is similar or related in service or use in order to be eligible for nonrecognition of gain for California income tax purposes.

Get federal Publication 544, Sales and Other Dispositions of Assets, for more information about involuntary conversions.

#### Line 5 - Non-recognition Under IRC Sections 351 or 721

The transfer must qualify for nonrecognition treatment under IRC Section 351 (transferring to a corporation controlled by transferor) or IRC Section 721 (contributing to a partnership in exchange for a partnership interest).

**Real Estate Escrow Person:** If, during the escrow, an individual seller transfers title to a corporation or partnership and then the corporation or partnership transfers title to the buyer, then there are two transfers for withholding purposes. Accordingly, two separate Forms 593-C should be completed for withholding purposes. The individual must complete one form for the transfer to the corporation or partnership. The corporation or partnership must complete the other form for the transfer to the buyer.

#### Line 6 - Corporation

A corporation has a permanent place of business in California if any of the following apply:

It is organized and existing under the laws of California.

It is qualified to transact business in California through the California Secretary of State.

It will maintain and staff a permanent office in California.

S corporations must withhold on nonresident S corporation shareholders. Get FTB Pub. 1017, Nonresident Withholding Guidelines, for more information.

#### **Line 7 - Partnership or Limited Liability Company (LLC)**

Withholding is not required if the recorded title to the property being transferred is in the name of a partnership. However, partnerships must withhold on nonresident partners. Get FTB Pub. 1017 for more information.

Withholding is not required if the recorded title to the property is in the name of an LLC that meets both of the following requirements:

The LLC is classified as a partnership for federal and California income tax purposes.

The LLC is **not** a single member LLC that is disregarded for federal and California income tax purposes.

If the LLC meets these conditions, the LLC must still withhold on nonresident members. Get FTB Pub. 1017 for more information.

If the LLC is a single member LLC that is disregarded for federal and California income tax purposes, then that single member is considered to be the seller and the one on title for withholding purposes. If the member is an individual, complete the form as that individual. If the member is a corporation, complete the form as that corporation. If the member is a partnership or LLC, complete the form as that partnership or LLC, etc. When completing Form 593-C as the single member of a disregarded LLC, write on the bottom of the form that the information on the form is for the single member of the LLC so the REEP will understand why it is different from the recorded title holder.

If the LLC is classified as a corporation for federal and California income tax purposes, then the seller is considered to be a corporation for withholding purposes. Refer to Line 6.

#### **Line 8 - Tax-Exempt Entity**

Withholding is not required if the seller is tax-exempt under either California or federal law (e.g., religious, charitable, educational, not for profit organizations, etc.).

#### **Line 9 - Insurance Company, Individual Retirement Account, Qualified Pension or Profit-Sharing Plan, or Charitable Remainder Trust**

Withholding is not required when the seller is an insurance company, individual retirement account, qualified pension or profit-sharing plan, or a charitable remainder trust.

### **Part III Certifications That May Partially or Fully Exempt Withholding**

Complete Part III only if you did not meet any of the exemptions in Part II. If you met an exemption in Part II, skip to Part IV.

#### **Line 10 - Simultaneous Exchange**

If the California real property is part of a simultaneous like-kind exchange within the meaning of IRC Section 1031, the transfer is exempt from withholding. However, if the seller receives taxable proceeds (boot) exceeding \$1,500 from the sale, the withholding agent must withhold on the boot.

#### **Line 11 - Deferred Exchange**

If the California real property is part of a deferred like-kind exchange within the meaning of IRC Section 1031, the sale is exempt from withholding at the time of the initial transfer. However, if the seller receives taxable proceeds (boot) exceeding \$1,500 from the sale, the withholding agent must withhold on the boot.

The intermediary or accommodator must withhold on all cash or cash equivalent (boot) it distributes to the seller if the amount exceeds \$1,500. If the exchange does not take place or if the exchange does not qualify for nonrecognition treatment, the intermediary or accommodator must withhold 3 1/3 % of the total sales price.

#### **Line 12 - Installment Sale**

To comply with an installment sale agreement, the buyer agrees to withhold on the principal portion of each installment payment. If the buyer chooses this method, the buyer must agree either to withhold on the principal portion of each installment payment either 3-1/3% or the installment withholding percentage specified by the seller according to Form 593-I, Real Estate Withholding Installment Sale Agreement. **The buyer must also complete Form 593-I.** See Form 593-I and the instructions for withholding and remitting the applicable amount on each installment payment.

Form 593-I must be attached to Form 593, Real Estate Withholding Tax Statement, when the withholding on the first installment payment is sent to the FTB.

If you do not wish to defer withholding, do not ask the buyer to complete Form 593-I.

### **Part IV Seller's Signature**

You must sign this form and return it to your REEP by the close of escrow for it to be valid. Otherwise, the withholding agent must withhold the full 3 1/3% of the total sales price or the optional gain on sale withholding amount from line 5 of Form 593 that is certified by the seller.

**Any transferor (seller) who, for the purpose of avoiding the withholding requirements, knowingly executes a false certificate is liable for a penalty of \$1,000 or 20% of the required withholding amount, whichever is greater.**

## Request for Taxpayer Identification Number and Certification

**Give this form to the  
 requester. Do not  
 send to the IRS**

Print or type  
 See Specific Instructions on Page 2

Name (as shown on your income tax return)	
Business name, if different from above	
Check appropriate box: <input type="checkbox"/> Individual/ Sole proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Other? _____	Exempt from backup <input type="checkbox"/> withholding
Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
City, state, and ZIP code	
List account number(s) here (optional)	

### Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I Instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Social security number
or
Employer identification number

**Note:** If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

### Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding and
3. I am a U.S. person (including a U.S. resident alien).

**Certification instructions.** - You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 4.)

<b>Sign Here</b>	Signature of U.S. person	Date
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### Purpose of Form

A person who is required to file an information return with the IRS, must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

An individual who is a citizen or resident of the United States.  
 A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States, or  
 Any estate (other than a foreign estate) or trust. See Regulations sections 301.7701-6(a) and 7(a) for additional information.

**U.S. person.** Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee.

In 3 above, if applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

**Note:** If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

For federal tax purposes, you are considered a person if you are:

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

The U.S. owner of a disregarded entity and not the entity,

The U.S. grantor or other owner of a grantor trust and not the trust, and

The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

**Foreign person.** If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

**Nonresident alien who becomes a resident alien.**

Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "savings clause". Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the recipient has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

**Example.** Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, the student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

**What is backup withholding?** Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments (after December 31, 2002). This is called "backup withholding." Payments that may be subject to backup withholding include interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

**Payments you receive will be subject to backup withholding if:**

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 4 for details),

3. The IRS tells the requester that you furnished an incorrect TIN.

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate instructions for the Requester of Form W-9.

Also see *Special rules regarding partnerships* on page 1.

**Penalties**

**Failure to furnish TIN.** If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

**Civil penalty for false information with respect to withholding.** If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

**Criminal penalty for falsifying information.** Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

**Misuse of TINs.** If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

**Specific Instructions**

**Name**

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

**Sole Proprietor.** Enter the individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name" line.

**Limited liability company (LLC).** If you are a single-member LLC (including a foreign LLC with a domestic owner) that is disregarded as an entity separate from its owner under Treasury regulations section 301.7701-3, enter the owner's name on the "Name" line. Enter the LLC's name on the "Business name" line. Check the appropriate box for your filing status (sole proprietor, corporation, etc.), then check the box for "Other" and enter "LLC" in the space provided.

**Other entities.** Enter your business name as shown on required federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name" line.

**Note.** You are requested to check the appropriate box for your status (individual/sole proprietor, corporation, etc.).

**Exempt From backup Withholding**

If you are exempt, enter your name as described above and check the appropriate box for your status, then check the "Exempt from backup withholding" box in the line following the business name, sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

**Note.** If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

**Exempt payees.** Backup withholding is not required on any payments made to the following payees:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),
2. The United States or any of its agencies or instrumentalities,
3. A state, the District of Columbia, a possession of the United States or any of their political subdivisions or instrumentalities,
4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or
5. An international organization or any of its agencies or instrumentalities.

Other payees that may be exempt from backup withholding include:

6. A corporation,
7. A foreign central bank of issue,
8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,
9. A futures commission merchant registered with the Commodity Futures Trading Commission,
10. A real estate investment trust,
11. An entity registered at all times during the tax year under the Investment Company Act of 1940,
12. A common trust fund operated by a bank under section 584(a).
13. A financial institution,
14. A middleman known in the investment community as a nominee or custodian, or
15. A trust exempt from tax under section 664 or described in section 4947.

The chart below shows types of payments that may be exempt from backup withholding. The chart applies to the exempt recipients listed above, 1 through 15.

IF payment is for...	THEN the payment is exempt for...
Interest and dividend payments	All exempt recipients except for 9
Broker transactions	Exempt recipients 1 through 13. Also, a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker
Barter exchange transactions and patronage dividends	Exempt recipients 1 through 5
Payments over \$600 required to be reported and direct sales over \$5,000 <sup>1</sup>	Generally, exempt recipients 1 through 7 <sup>2</sup>

<sup>1</sup> See Form 1099-MISC, Miscellaneous Income, and its instructions.

<sup>2</sup> However, the following payments made to a corporation (including gross proceeds paid to an attorney under section 6045 (f), even if the attorney is a corporation) and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorney's fees; and payments for services paid by a federal executive agency.

## Part I. Taxpayer Identification Number (TIN)

**Enter your TIN in the appropriate box.** If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-owner LLC that is disregarded as an entity separate from its owner (see *Limited liability company (LLC)* on page 2), enter your SSN (or EIN, if you have one). If the LLC is a corporation, partnership, etc., enter the entity's EIN.

**Note.** See the chart on page 4 for further clarification of name and TIN combinations.

**How to get a TIN.** If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at [www.socialsecurity.gov](http://www.socialsecurity.gov). You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at [www.irs.gov/businesses](http://www.irs.gov/businesses) and clicking on Employer ID Numbers under Related Topics. You can get Forms W-7 and SS-4 from the IRS by visiting [www.irs.gov](http://www.irs.gov) or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

**Note.** Writing "Applied For" means you have already applied for a TIN or that you intend to apply for one soon.

**Caution:** A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.

**Part II. Certification**

To establish to the withholding agent that you are a U.S. person, or a resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, and 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). Exempt recipients, see *Exempt From Backup Withholding* on page 2.

**Signature requirements.** Complete the certification as indicated in 1 through 5 below.

**1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.** You must give your correct TIN, but you do not have to sign the certification.

**2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.** You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

**3. Real estate transactions.** You must sign the certification. You may cross out item 2 of the certification.

**4. Other payments.** You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN.

"Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

**5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions.** You must give your correct TIN, but you do not have to sign the certification.

**What Name and Number To Give the Requester**

<b>For this type of account:</b>	<b>Give name and SSN of:</b>
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account <sup>1</sup>
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor <sup>2</sup>
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee <sup>1</sup>
b. So-called trust account that is not a legal or valid trust under state law.	The actual owner <sup>1</sup>
5. Sole proprietorship or single-owner LLC	The owner <sup>3</sup>

  

<b>For this type of account:</b>	<b>Give name and EIN of:</b>
6. Sole proprietorship or single-owner LLC	The owner <sup>3</sup>
7. A valid trust, estate, or pension trust	Legal entity <sup>4</sup>
8. Corporate or LLC electing corporate status on Form 8832	The corporation
9. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
10. Partnership or multi-member LLC	The partnership
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments.	The public entity

<sup>1</sup> List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

<sup>2</sup> Circle the minor's name and furnish minor's SSN.

<sup>3</sup> You must show your individual name and you may also enter your business or "DBA" name on the second name line. You may use either your SSN or EIN (if you have one). If you are a sole proprietor, IRS encourages you to use your SSN.

<sup>4</sup> List first and circle the name of the legal trust, estate, or pension trust. (Do not furnish the TIN of the personal representatives or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules regarding partnerships* on page 1.  
**Note.** If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

**Privacy Act Notice**

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA, or Archer MSA or HAS. The IRS uses the numbers for identification purposes and to help verify accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. possessions to carry out their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 28% of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to a payer. Certain penalties may also apply.

**PRELIMINARY CHANGE OF OWNERSHIP REPORT**

[To be completed by transferee (buyer) prior to transfer of subject property in accordance with section 480.3 of the Revenue and Taxation Code.] A Preliminary Change of Ownership Report must be filed with each conveyance in the County Recorder's office for the county where the property is located; this particular form may be used in all 58 counties of California.

**THIS REPORT IS NOT A PUBLIC DOCUMENT**

<b>FOR RECORDER'S USE ONLY</b>	
DOCUMENT NUMBER	
RECORDING DATE	

SELLER/TRANSFEROR: Munir Shoga

BUYER/TRANSFeree: Mohammad Alnassar

ASSESSOR'S PARCEL NUMBER(S):

PROPERTY ADDRESS OR LOCATION: 25781 Highplains Terrace, Laguna Hills, CA 92653

MAIL TAX INFORMATION TO: Name: Mohammad Alnassar

Address: , , CA

**NOTICE:** A lien for property taxes applies to your property on January 1 of each year for the taxes owing in the following fiscal year, July 1 through June 30. One-half of these taxes is due November 1, and one-half is due February 1. The first installment becomes delinquent on December 10, and the second installment becomes delinquent on April 10. One tax bill is mailed before November 1 to the owner of record. **You may be responsible for the current or upcoming property taxes even if you do not receive the tax bill.**

The property which you acquired may be subject to a supplemental assessment in an amount to be determined by the Orange County Assessor. For further information on your supplemental roll obligation, please call the Orange County Assessor at (714) 834-2727.

**PART I: TRANSFER INFORMATION** (please answer all questions)

- |     |     |  |
|-----|-----|--|
| YES | NO  |  |
| ( ) | ( ) | A. Is this transfer solely between husband and wife (addition of a spouse, death of a spouse, divorce settlement, etc.)?   |
| ( ) | ( ) | B. Is this transaction only a correction of the name(s) of the person(s) holding title to the property (for example, a name change upon marriage)? Please explain _____                    |
| ( ) | ( ) | C. Is this document recorded to create, terminate, or reconvey a lender's interest in the property?  |
| ( ) | ( ) | D. Is this transaction recorded only as a requirement for financing purposes or to create, terminate, or reconvey a security interest (e.g., cosigner)? Please explain _____               |
| ( ) | ( ) | E. Is this document recorded to substitute a trustee of a trust, mortgage, or other similar document?  |
| ( ) | ( ) | F. Did this transfer result in the creation of a joint tenancy in which the seller (transferor) remains as one of the joint tenants?   |
| ( ) | ( ) | G. Does this transfer return property to the person who created the joint tenancy (original transferor)?   |
| ( ) | ( ) | H. Is this a transfer of property:   |
| ( ) | ( ) | 1. to a revocable trust that may be revoked by the transferor and is for the benefit of the [ ] transferor [ ] transferor's spouse?  |
| ( ) | ( ) | 2. to a trust that may be revoked by the Creator/Grantor who is also a joint tenant, and which names the other joint tenant(s) as beneficiaries when the Creator/Grantor dies?             |
| ( ) | ( ) | 3. to an irrevocable trust for the benefit of the [ ] Creator/Grantor and/or [ ] Grantor's spouse?   |
| ( ) | ( ) | 4. to an irrevocable trust from which the property reverts to the Creator/Grantor within 12 years?   |
| ( ) | ( ) | I. If this property is subject to a lease, is the remaining lease term 35 years or more including written options?   |
| ( ) | ( ) | *J. Is this a transfer between [ ] parent(s) and child(ren)? [ ] or from grandparent(s) to grandchild(ren)?  |
| ( ) | ( ) | *K. Is this transaction to replace a principal residence by a person 55 years of age or older? Within the same county? [ ] Yes [ ] No  |
| ( ) | ( ) | *L. Is this transaction to replace a principal residence by a person who is severely disabled as defined by Revenue and Taxation Code section 69.5? Within the same county? [ ] Yes [ ] No |
| ( ) | ( ) | M. Is this transfer solely between domestic partners currently registered with the California Secretary of State?  |

\* If you checked yes to J, K or L, you may qualify for a property tax reassessment exclusion, which may result in lower taxes on your property. **If you do not file a claim, your property will be reassessed.**

Please provide any other information that will help the Assessor to understand the nature of the transfer.

If the conveying document constitutes an exclusion from a change in ownership as defined in section 62 of the Revenue and Taxation Code for any reason other than those listed above, set forth the specific exclusions claimed: \_\_\_\_\_

**Please answer all questions in each section. If a question does not apply, indicate with "N/A." Sign and date at bottom of second page.**

**PART II: OTHER TRANSFER INFORMATION**

- A. Date of Transfer if other than recording date \_\_\_\_\_
- B. Type of transfer (Please check appropriate box):
- ( ) Purchase ( ) Foreclosure ( ) Gift ( ) Trade or Exchange ( ) Merger, Stock or Partnership Acquisition
- ( ) Contract of Sale - Date of Contract \_\_\_\_\_
- ( ) Inheritance - Date of Death \_\_\_\_\_ ( ) Other (please explain): \_\_\_\_\_
- ( ) Creation of Lease ( ) Assignment of a Lease ( ) Termination of a Lease ( ) Sale/Leaseback
- ( ) Date lease began \_\_\_\_\_
- ( ) Original term in years (including written options) \_\_\_\_\_
- ( ) Remaining term in years (including written options) \_\_\_\_\_
- Monthly Payment \_\_\_\_\_ Remaining Term \_\_\_\_\_
- C. Was only a partial interest in the property transferred? ( ) Yes ( ) No
- If yes, indicate the percentage transferred \_\_\_\_\_%

Please write Assessor's Parcel Number(s): \_\_\_\_\_

Please answer, to the best of your knowledge, all applicable questions, then sign and date. If a question does not apply, indicate with "N/A".

**PART III: PURCHASE PRICE AND TERMS OF SALE**

A. CASH DOWN PAYMENT OR value of trade or exchange (excluding closing costs) Amount \$ \_\_\_\_\_
B. FIRST DEED OF TRUST @ \_\_\_\_\_ % interest for \_\_\_\_\_ years. Pymts./Mo. = \$ \_\_\_\_\_ (Prin. & Int. only) Amount \$ \_\_\_\_\_
C. SECOND DEED OF TRUST @ \_\_\_\_\_ % interest for \_\_\_\_\_ years. Pymts./Mo. = \$ \_\_\_\_\_ (Prin. & Int. only) Amount \$ \_\_\_\_\_
D. OTHER FINANCING: Is other financing involved not covered in (b) or (c) above? ( ) Yes ( ) No Amount \$ \_\_\_\_\_
E. WAS AN IMPROVEMENT BOND ASSUMED BY THE BUYER? ( ) Yes ( ) No Outstanding Balance: Amount \$ \_\_\_\_\_
F. TOTAL PURCHASE PRICE (or acquisition price, if traded or exchanged, include real estate commission if paid)
TOTAL ITEMS A THROUGH E \$ \_\_\_\_\_
G. PROPERTY PURCHASED: ( ) Through a broker ( ) Direct from seller ( ) From a family member ( ) Other (please explain): \_\_\_\_\_
If purchased through a broker, provide broker's name and phone number: \_\_\_\_\_
Please explain any special terms, seller concessions, or financing and any other information that would help the Assessor understand the purchase price and terms of sale: \_\_\_\_\_

**PART IV: PROPERTY INFORMATION**

A. TYPE OF PROPERTY TRANSFERRED: ( ) Single-family residence ( ) Agricultural ( ) Timeshare
( ) Multiple-family residence (no. of units: \_\_\_\_\_) ( ) Co-op/Own-your-own ( ) Manufactured home
( ) Commercial/Industrial ( ) Condominium ( ) Unimproved lot
( ) Other (Description: i.e. timber, mineral, water rights, etc. \_\_\_\_\_)
B. IS THIS PROPERTY INTENDED AS YOUR PRINCIPAL RESIDENCE? ( ) Yes ( ) No
If yes, enter date of occupancy \_\_\_\_/\_\_\_\_/20\_\_\_\_ or intended occupancy \_\_\_\_/\_\_\_\_/20\_\_\_\_.
C. IS PERSONAL/BUSINESS PROPERTY INCLUDED IN PURCHASE PRICE (i.e., furniture, farm equipment, machinery, etc.)
(other than a manufactured home subject to local property tax)? ( ) Yes ( ) No
If yes, enter the value of the personal/business property included in the purchase price \$ \_\_\_\_\_ (Must attach itemized list.)
D. IS A MANUFACTURED HOME INCLUDED IN PURCHASE PRICE? ( ) Yes ( ) No
If yes, how much of the purchase price is allocated to the manufactured home? \$ \_\_\_\_\_
Is the manufactured home subject to local property tax? ( ) Yes ( ) No What is the decal number? \_\_\_\_\_
E. DOES THE PROPERTY PRODUCE INCOME? ( ) Yes ( ) No If yes, is the income from:
( ) Lease/Rent ( ) Contract ( ) Mineral rights ( ) Other (please explain): \_\_\_\_\_
F. WHAT WAS THE CONDITION OF THE PROPERTY AT THE TIME OF SALE?
( ) Good ( ) Average ( ) Fair ( ) Poor
Please explain the physical condition of the property and provide any other information (such as restrictions, etc.) that would assist the Assessor in determining the value of the property: \_\_\_\_\_

**CERTIFICATION**

OWNERSHIP TYPE (??)
Proprietorship ( )
Partnership ( )
Corporation ( )
Other \_\_\_\_\_ ( )
I certify that the foregoing is true, correct and complete to the best of my knowledge and belief.
This declaration is binding on each and every co-owner and/or partner.
NAME OF NEW OWNER/CORPORATE OFFICER TITLE
SIGNATURE OF NEW OWNER/CORPORATE OFFICER DATE
NAME OF ENTITY (typed or printed) FEDERAL EMPLOYER ID NUMBER
ADDRESS (typed or printed) PHONE NUMBER (8 a.m. - 5 p.m.) E-MAIL ADDRESS (optional)

(NOTE: The Assessor may contact you for additional information.)

If a document evidencing a change of ownership is presented to the recorder for recordation without the concurrent filing of a preliminary change of ownership report, the recorder may charge an additional recording fee of twenty dollars (\$20).