

PROPERTY MANAGEMENT AGREEMENT

The business of Property Management covers many issues and The Holton-Wise Property Group wants to make it as clear as possible to our clients the level of service we provide and the type of charges that you may incur. We are here to help make your investment as pleasant and profitable as possible. Please feel free to ask any questions at any time.

This property management agreement is between The Holton-Wise Property Group (Hereinafter called "Broker") &

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(Hereinafter called "Owner") & applies to the real property at:

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1.	
2.	
3.	
4.	
5.	

The term of this agreement shall commence on the following date

Month:	Day:	Year:
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This agreement is automatically renewable, upon expiration for 36 monthly periods unless terminated by either party giving 30-days' written notice to the other party in advance of such termination date. This agreement can be terminated early at any time giving a 30 days written notice. In the event Owner terminates this agreement early, an early termination fee equal to one month's rent for each occupied unit and \$295 for each vacant unit will be charged to Owner for every unit managed by Broker. The early termination fee will be waived if the management agreement is ended early because the Owner sold the property(s) using The Holton-Wise Property Group's brokerage services. **The termination of this Agreement will end all of Broker's responsibilities for any and all rental agreements entered into by Broker, on behalf of the Owner during the term of this Agreement.** However, the termination of this agreement shall not affect the right of Broker to receive leasing commissions or management fees which have accrued on the date specified in such notice and have not yet been paid. Nor shall it affect the right of Broker to receive a full month's management fee for the management of any property that Broker managed for a portion of any month.

In consideration of the management and leasing functions to be performed by Broker under this agreement, Owner agrees to pay Broker a fee or fees for services rendered at the rates hereinafter set forth. Owner recognizes Broker as agent in any negotiations relative to said property or any part thereof, and if consummated, shall compensate Broker in accordance with the rates hereinafter set forth. Such compensation is due and payable on demand and may be deducted by Broker from gross receipts. Unless otherwise specified in writing additional properties that Broker manages for Owner will be performed on an implied contract under the same terms and conditions contained herein this agreement.

Duties and responsibilities of Broker in connection with the management of said property(s) are as follows:

- 1.** Broker shall advertise the availability for rent of the property or any part thereof and to display advertisement signage thereon; to show property to prospective tenants; to execute leases; renewals or cancellations of leases relating to said property; to terminate tenancies and to sign and serve for Owner such notices as Broker deems appropriate; to institute legal actions in the name of Owner; to evict tenants and recover possession of said premises; to recover rents and other sums due, and to settle, compromise and release such actions. All expenses of litigation, including costs and attorney fees shall be paid by the Owner. Broker may select a qualified outsider provider of its choice to handle such litigation. Broker may advertise vacancy in one or more publications at its discretion. Internet advertising, personal networking, lockbox service, and signage are provided at no cost to owner. Rent rates are determined by market conditions (location, property features, condition, price, season and terms) unless requested in writing Broker will establish the rental rate based on its best judgment. Broker's goal is to rent the property within 30 days of becoming ready to rent. Broker does not guarantee that a property will rent at any particular price point or in any time frame. Broker will be selecting tenants using its best judgment. Applicants will complete a rental application that allows Broker to run a credit check and verify income and rental history. Broker will adhere to all Fair Housing guidelines. Broker will provide a Lead Based Paint disclosure form and booklet to all tenants.
- 2.** Broker shall have the authority to negotiate, prepare, execute, modify and cancel all leases as agent for the Owner.
- 3.** Broker shall take all reasonable steps to collect and enforce the collection of all rentals and other charges due Owner from tenants of said property in accordance with the terms of their tenancies. Broker has the right to dictate and retain all late fees, move in fees and miscellaneous fees charged by Broker and collected from the tenant.
- 4.** Broker shall deposit gross revenues collected into a special trust account whose deposits are insured by the Federal Deposit Insurance Corporation. Broker shall have authority to draw on such account any payment to be made by Broker to discharge any of the liabilities or obligations incurred by Broker pursuant to this agreement. Broker shall retain all security deposits in the Trust Account until allocated and disbursed at the termination of the Tenancy according to applicable law and the terms of the rental agreement or at the termination of this Property Management Agreement.
- 5.** Broker shall arrange all repairs, replacements and decorating necessary to maintain said property in good condition and for the operating efficiency of said property. This includes, but is not limited to cleaning, painting, decorating, plumbing, carpentry, ground care, and such other maintenance and repair as may be necessary subject to any limitations imposed by the Owner in writing. The expense of any one item of maintenance shall not exceed the sum of **\$350.00** unless authorized by Owner in writing or unless Broker determines it to be an emergency. Owner approval is not required in the event of an emergency where immediate repairs are required to preserve the property, continue essential services to the property, avoid danger to life or property, or to comply with federal, state, or local law and housing authority. Expenses associated with maintenance and repair shall be paid out of the Trust Account, subject to account balances. Broker has its own "in house" maintenance staff. Unless otherwise requested by Owner, in writing, Broker reserves the right to perform all maintenance and repair issues "in house." In the event there is a repair or renovation that Broker is unable to perform "in house" Broker will Sub Contract the job. Broker will charge Owner a minimum Fee of 10% of any Sub Contractor's invoice. In no case is Broker obligated to furnish multiple bids for maintenance work. Broker will charge owner a Bid Fee for every job that is bid by Broker. Fees are indicated on page 3. In the event the Owner does not want to have Broker perform maintenance and repair issues "in house." Owner has the option to use other outside vendors for any maintenance/repair work. Broker takes no responsibility for the quality of any maintenance or performed by outside vendors. Owner will be solely responsible for obtaining bids as well hiring and making payment to outside vendors. Broker's only role will be to provide access to outside vendors for any work owner has hired them to do and to perform an inspection after work is completed by outside vendors to verify that the work meets the minimum rent ability standards of Holton-Wise. A coordination fee of \$295 will be charged to Owner for every outside vendor Broker must coordinate with in addition, Outside Site Visit Fee applies. Fees are indicated on page 3. There is no fee to grant access or to verify that work has been adequately performed when it has been performed by the Brokers "in house" maintenance staff.
- 6.** Broker shall maintain accurate records of all moneys received and disbursed in connection with its management of said property, and such records shall be open for inspection by Owner at all reasonable times. Broker shall provide monthly reports of all financial activity to the Owner. Broker shall make every effort to provide owner with a monthly accounting statement and any profit disbursements by the end of the 1st week of the following month.
- 7.** Broker will provide a 1099 every January as required by the IRS. Upon account cancelation Broker will provide owner with a final accounting that includes the last monthly statement, year to date statement and a final disbursement of all of the owners funds held by Broker. For this Broker will charge the Owner a \$295 final accounting fee.

Duties of the Property Owner:

1. Owner agrees to maintain a minimum balance of **\$2,500.00** in Broker's trust account. In the event the amount falls below such minimum balance, Owner agrees to pay such excess promptly upon the request of the Broker. Broker reserves the right to replenish this amount from rents collected prior to any owner disbursements being made.
2. Owner agrees to take notice of the condition of the property and establish goals to upgrade and maintain the property. In the event the property condition worsens to the point where it is no longer rentable and owner does not wish to perform repairs necessary to bring it up to rentable standards Broker can cancel this contract with a 30 day written notice. If broker cancels contract due to the non rentable condition of the property, all early termination fees will be due and payable to the broker.
3. Owner agrees to make available to Broker all data, records, and documents pertaining to the property which Broker may require to properly exercise Broker's duties hereunder.
4. Owner shall complete and submit a lead-based paint disclosure if property is residential and built prior to 1978.
5. Owner agrees to indemnify, defend, and hold harmless the Brokerage, brokerage owners, broker, employees, representatives, agents, associated businesses, and contractors from any and all claims, fines, loss, costs, expenses, attorney fees, suits, liabilities, damages, or claims for damages, including but not limited to those arising out of any injury or death to any person or persons or damage to any property of any kind whatsoever and to whomsoever belonging, including Owner, in any way relating to the management of the premises by the Broker or the performance or exercise of any of the duties, obligations, powers or authorities hereafter granted to Broker. This paragraph shall survive the termination of this agreement.
6. Owner agrees to carry, at Owner's sole cost and expense, such public liability and property damage insurance as shall be adequate to protect the interests of the Broker and Owner, the policies for which shall name the Broker as well as the Owner as the party insured. **OWNER TO PROVIDE BROKER WITH A CERTIFICATE OF INSURANCE SHOWING A MINIMUM OF \$300,000 LIABILITY COVERAGE** within 14 days of execution of this contract. No rental disbursements will be sent to owners until Broker has been provided with the certificate of insurance showing a minimum of \$300,000 liability coverage.
7. **UTILITIES, TAXES, and PROPERTY INSURANCE SETUP and EXPENSES WILL BE THE SOLE RESPONSIBILITY OF THE OWNER. CLEVELAND OHIO AREA HAS INCLEMENT WEATHER THAT CAN CAUSE BUILDINGS WITHOUT HEAT TO HAVE THE WATER PIPES FREEZE and BURST CAUSING EXTREME DAMAGE TO THE BUILDING.** Broker strongly recommends setting up a landlord type account with the gas provider / electric utility provider so that the utility will automatically revert back to the owners name after a tenant takes it out of their own name. Broker recommends that the owner contact both gas and electric provider to insure utilities are on in the owner's name **IMMEDIATELY** after every tenant move out and/or property acquisition. Broker is not liable for any damage caused to any property because of burst water pipes or anything else in relation to the utilities not working properly. Utility company contact information can be found on the FAQ at HoltonWise.com

One Time Account Setup Fee:	\$295.00 (Charged once per account. No fee is charged for additional properties added to an existing account.)
Monthly Management Fee:	10% of charged rents or a Minimum fee of \$69 per unit (Whichever amount is greater.)
Leasing (Placement) Fee:	1 st full months' rent
Lease Renewal Fee:	\$295.00
Bill Payment Fee:	\$15.00*
Bill Collection Fee:	10% of collected monies**
Outside Site Visit Fee:	\$75.00 per hour***
Long Distance Surcharge:	\$25.00****
Maintenance Tune up & Inspection:	\$99.00 per unit (OPTIONAL)*****
Eviction: (1 st cause only)	\$750.00
Grass cut: Small (under ½ acre)	\$35.00

Grass cut: Medium (½-1 acre)	\$49.00
Grass cut: Large (1 acre +)	\$54.00 + \$25.00 per additional acre
Snow Plow	Cost will vary on an individual basis. See Property Manager for an individual bid

***Bill Payment Fee**

Broker will charge Owner \$15.00 per bill that Broker pays on behalf of Owner. This includes but is not limited to private trash service, utility bills and city rental registration. If the payment of any bill causes Broker or one of Broker's employees to physically leave Broker's office an Outside Site Visit Fee will be added on top of the Bill Payment Fee.

****Bill Collection Fee**

Broker will charge Owner 10% of all monies collected for Owner by Broker. This includes but is not limited to the collection of the following bills from the tenants. Water, sewer, gas and electric as well as but not limited to any fines or citations incurred by Owner for the activities of the tenants such as trash fines, grass fines and inoperable vehicle fines.

*****Outside Site Visit Fee**

Broker will charge owner an Outside Site Visit Fee every time an employee of the Broker has to leave the Broker's office to perform duties related to the property being managed by Broker. This includes but is not limited to the following; Service Call Fee, Maintenance Service Call Fee, Bid Fee, Outside Contractor Access Fee & Utility Turn on Fee. Hourly rate is billed at \$75/hour including drive time to & from Broker's office with a minimum Fee of \$75 per Outside Site Visit.

******Long Distance Surcharge**

Broker will charge Owner a Long Distance Surcharge for any trip made to any property located outside of Cuyahoga County. This includes everything that will be charged via the Outside Site Visit Fee as well as visits to the property performed by Broker's leasing staff.

*******Maintenance Tune up & Inspection**

Broker will perform a property inspection, replace the furnace filter, change out all smoke detector batteries & change CO detector batteries in each unit. This is an optional product. Broker recommends Owner purchase this product at least once every year.

Sale of the property

Owner to pay an additional management fee of \$295 per unit per month when a property is listed For Sale by Owner or with another brokerage besides The Holton-Wise Property Group. This fee is waived if The Holton-Wise Property Group is the listing brokerage. Note that The Holton-Wise Property Group considers coordinating showings of properties to potential buyers a sales activity. If the property is listed by another brokerage besides The Holton-Wise Property Group or For Sale by Owner The Holton-Wise Property Group will not be held responsible for coordinating those showings. The Holton-Wise Property Group will make every effort to get tenant contact information to the owner or the listing agent so that they can coordinate with the tenants directly. An additional fee of 7% of the purchase price or a minimum fee of \$4,995 (whichever is higher) will be due to The Holton-Wise Property Group when the property is sold & title is transferred to the new owner unless The Holton-Wise Property Group was the listing Broker.

Fair Housing: It is illegal, pursuant to the Ohio Fair Housing Law, Division (H) of Section 41 12.02 of the Revised Code of the Federal Fair Housing law, 42 U.S.C.A. 3601, as amended, to refuse to sell, transfer, assign, rent, lease, sublease or finance housing accommodations, refuse to negotiate for the sale or rental of housing accommodations, or otherwise deny or make unavailable housing accommodations because of race, color, religion, sex, familial status as defined in Section 41 12.01 of the Revised Code, ancestry, military status as defined in that section, disability as defined in that section, or national origin or to so discriminate in advertising the sale or rental of housing, in the financing of housing, or in the provision of real estate brokerage services. It is also illegal, for profit, to induce or attempt to induce a person to sell or rent a dwelling by representations regarding the entry into the neighborhood of a person or persons belonging to one of the protected classes.



HOLTON-WISE
COMMERCIAL & RESIDENTIAL
REAL ESTATE

SALES • PROPERTY MANAGEMENT • MAINTENANCE • INSURANCE • DIGITAL MEDIA • EDUCATION

4207 Brookpark Road, Parma, Ohio 44134 – 216.661.6633 – HoltonWise.com



Additional terms or limitations:

Parties acknowledge having read the foregoing prior to execution and receipt of a copy of this Agreement.

Owner Name (Print)		Date of Birth	
SSN or Tax ID Number			
US Mailing Address Street		City	State Zip
E-Mail			
Phone			
Driver's License/State ID Number		Driver's License/State ID State of Issue	
Driver's License/State ID Date of Issue		Driver's License/State ID Expiration Date	
Owner Name (Sign)		Date	
The Holton-Wise Property Group Agent Name (Sign)		Date	

Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards

Property Address: _____

Lead Warning Statement

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. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

Landlord's Disclosure

- (a) Presence of lead-based paint and/or lead-based paint hazards (check (i) or (ii) below):
- (i) _____ Known lead-based paint and/or lead-based paint hazards are present in the housing (explain).
 - (ii) _____ Landlord has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.
- (b) Records and reports available to the seller (check (i) or (ii) below):
- (i) _____ Landlord has provided the purchaser with all available records and reports pertaining to lead based paint and/or lead-based paint hazards in the housing (list documents below).
 - (ii) _____ Landlord has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Tenant's Acknowledgment (initial)

- (c) _____ Tenant has received copies of all information listed above.
- (d) _____ Tenant has received the pamphlet *Protect Your Family from Lead in Your Home*.
- (e) Purchaser has (check (i) or (ii) below):
- (i) _____ received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or
 - (ii) _____ waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

Agent's Acknowledgment (initial)

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

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

Landlord Date

Landlord Date

Tenant Date

Tenant Date

Agent Date

Agent Date

Authorization Agreement for Direct Payments (ACH Credit)

Company ID or
Name(s) _____ Social Security Number _____

I (we) hereby authorize **The Holton-Wise Property Group**, hereinafter called COMPANY, to initiate credit entries to my (our) ☐ Checking Account / ☐ Savings Account (select one) indicated below at the depository financial institution named below, hereafter called DEPOSITRY, and to credit the same to such account. I (we) acknowledge that the origination of ACH transactions to my (our) account must comply with the provisions of U. S. law.

Depository Name _____ Branch _____

City _____ State _____ Zip _____

Account
Routing Number _____ Number _____

This authorization is to remain in full force and effect until COMPANY has received written notification from me (or either of us) of its termination in such a time and in such a manner as to afford COMPANY and DEPOSITRY a reasonable opportunity to act on it.

Company ID or
Name(s) _____ Social Security Number _____

Date _____ Signature _____

NOTE: ALL CREDIT AUTHORIZATION MUST PROCIDE THAT THE RECEIVER MAY REVOKE THE AUTHORIZATION ONLY BY NOTIFYING THE ORIGINATOR IN THE MANNER SPECIFIED IN THE AUTHORIZATION.

Request for Taxpayer Identification Number and Certification

Give Form to the
requester. Do not
send to the IRS.

Print or type
See Specific Instructions on page 2.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.	
2 Business name/disregarded entity name, if different from above	
3 Check appropriate box for federal tax classification; check only one of the following seven boxes: <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ Note. For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner. <input type="checkbox"/> Other (see instructions) ▶ _____	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <i>(Applies to accounts maintained outside the U.S.)</i>
5 Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
6 City, state, and ZIP code	
7 List account number(s) here (optional)	

Part I 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 generally 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.

Note. If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.

Social security number									
				-				-	
or									
Employer identification number									
				-					

Part II Certification

Under penalties of perjury, I certify that:

- 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
- 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
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

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 3.

Sign Here	Signature of U.S. person ▶	Date ▶
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at www.irs.gov/fw9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)

- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding? on page 2.

By signing the filled-out form, you:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. 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, and
- Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting?* on page 2 for further information.

Note. If you are a U.S. person and 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.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 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 section 1446 withholding on your share of partnership income.

In the cases below, the following person must give 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:

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (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 "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee 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, this 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, give the requester the appropriate completed Form W-8 or Form 8233.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, 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 3 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 *Exempt payee code* on page 3 and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships* above.

What is FATCA reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code* on page 3 and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

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

Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account, list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note. ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or "doing business as" (DBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C Corporation, or S Corporation.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. 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 line 2.

e. **Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulations section 301.7701-2(c)(2)(iii). Enter the owner's name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2, "Business name/disregarded entity name." If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

Line 3

Check the appropriate box in line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box in line 3.

Limited Liability Company (LLC). If the name on line 1 is an LLC treated as a partnership for U.S. federal tax purposes, check the "Limited Liability Company" box and enter "P" in the space provided. If the LLC has filed Form 8832 or 2553 to be taxed as a corporation, check the "Limited Liability Company" box and in the space provided enter "C" for C corporation or "S" for S corporation. If it is a single-member LLC that is a disregarded entity, do not check the "Limited Liability Company" box; instead check the first box in line 3 "Individual/sole proprietor or single-member LLC."

Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space in line 4 any code(s) that may apply to you.

Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

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

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 5 ²
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

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

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)

B—The United States or any of its agencies or instrumentalities

C—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)

E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i)

F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

G—A real estate investment trust

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940

I—A common trust fund as defined in section 584(a)

J—A bank as defined in section 581

K—A broker

L—A trust exempt from tax under section 664 or described in section 4947(a)(1)

M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

Note. You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns.

Line 6

Enter your city, state, and ZIP code.

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-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on this page), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, 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 SSA office or get this form online at www.ssa.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 and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting 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, apply for a TIN and 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. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded U.S. 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 resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, or 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code* earlier.

Signature requirements. Complete the certification as indicated in items 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 made in settlement of payment card and third party network transactions, 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

For this type of account:	Give name and SSN of:
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 ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
4. a. The usual revocable savings trust (grantor is also trustee) b. So-called trust account that is not a legal or valid trust under state law	The grantor-trustee ¹ The actual owner ¹
5. Sole proprietorship or disregarded entity owned by an individual	The owner ³
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))	The grantor ⁴
For this type of account:	Give name and EIN of:
7. Disregarded entity not owned by an individual	The owner
8. A valid trust, estate, or pension trust	Legal entity ⁴
9. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11. Partnership or multi-member LLC	The partnership
12. A broker or registered nominee	The broker or nominee
13. 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
14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671-4(b)(2)(i)(B))	The trust

¹ 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.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 2.

***Note.** Grantor also must provide a Form W-9 to trustee of trust.

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.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: spam@uce.gov or contact them at www.ftc.gov/idtheft or 1-877-IDTHEFT (1-877-438-4338).

Visit IRS.gov to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and 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. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.