



PROPERTY MANAGEMENT STEPS

- Find qualified resident
- Inspection of the property to determine its rental value.
- Evaluation of any upgrading or repair work necessary in order to receive the highest rental income possible.
- Advertising the property to secure a suitable resident in the shortest possible time.
- List the property on Internet sites and in the MLS to be shared with other Realtors.
- Establish criteria for the acceptance or rejection of resident applicants.
- Perform Credit, Civil and Criminal background checks, income and employment verifications on applicants for the purpose of acceptance or denial.
- Regular inspections of the property while it is rented to insure it is being properly maintained.
- Regular inspections of the property while it is vacant to verify security and maintenance.
- Collection of rent, payment of approved invoices and disbursement to owner as directed.
- Lease preparation.
- Maintain income and expense records to be sent to owner at end of the year for income tax purposes.
- Arrange for emergency repairs.
- Professionally handle resident requests and complaints.
- Supervise all maintenance, repairs and improvements.
- Determine market value of the property when desired by owner.
- Quick eviction processing, if necessary.
- Attend to resident or owner inquiries in a manner that resolves issues amicably for both parties.



BAHIA PROPERTY MANAGEMENT PROPERTY MANAGEMENT SERVICE AGREEMENT

This is an AGREEMENT between _____ hereinafter referred to as "Owner" and INVESTMENT SOLUTION GROUP LLC / dba BAHIA PROPERTY MANAGEMENT, hereinafter referred to as "Agent". For and in consideration of the mutual covenant contained herein, the parties agree as follows:

I. EXCLUSIVE RIGHT TO RENT, LEASE AND MANAGE: Owner hereby employs Agent, giving Agent the exclusive right to rent, lease and manage Owner's property (hereinafter called the "Premises") known as _____ under the terms and conditions herein set forth. Agent accepts the management of the Premises for the period, and upon the terms herein provided.

II. TERM: This Agreement shall commence on _____ (also known as the anniversary date) , is perpetual, and shall end when either Owner or Agent shall give the other party notice of intent to terminate according to terms stipulated in section VII of this Agreement.

III. MANAGEMENT AUTHORITY AND AGENT RESPONSIBILITIES: Owner expressly grants to Agent the following authority, powers and rights, any or all of which may be exercised in the name of Owner, in Agent's name alone, or in the names of both, and Owner shall assume all responsibilities for expenses in connection herewith, and shall reimburse or pay in advance all expenses incurred or to be incurred by Agent pursuant to this Agreement:

- A. Full management and control of the Premises with authority to collect all rent and other monies and securities from Tenants in the Premises, and issue receipts for same.
- B. The exclusive right to accept and qualify applications for rental and to perform credit checks and other screening services on applicants, and the exclusive right to approve or decline such applicants according to agent's policies. Owner shall not be provided with the Tenants credit report and/or Application unless specifically authorized in writing by the tenant and the provider of the credit report.
- C. To prepare and negotiate new leases and renewals of existing leases in which Agent is authorized to execute leases and renewals for a maximum of one year at a time or for longer periods with Owner approval.
- D. To have repairs made, to purchase necessary supplies, to provide for all negotiation and contractual arrangements by suppliers or other independent contractors for all improvements, maintenance or repair services deemed necessary by Owner and/or Agent or to comply with applicable building, housing, and health codes, and to determine that such services were performed in a proper and prescribed manner. On each improvement, maintenance or repair item that shall exceed three hundred dollars (\$300.00) in cost – except for emergency repairs – Owner's approval shall first be obtained.
- E. To change locks on Premises between tenancies as needed or when requested by Owner.
- F. To place "For Rent" signs on the Premises unless prohibited by applicable bylaws or local ordinances.
- G. To serve any and all applicable legal notices upon Tenants and to prosecute legal actions to terminate tenancies, evict Tenants and recover rents and any other sums due, and when necessary employing for these purposes a reputable attorney.
- H. To collect from Applicants or Tenants any or all of the following: application fees, late rent fees, non-negotiable check fees, re-leasing fees, lease modification fees, legal notice services fees, or any other fees that may now or in the future become a Tenant obligation. All such fees shall belong to Agent to offset Agent's extra time and expense for handling additional work and responsibilities related to such fees, and Agent need not account for such fees to Owner. First funds collected from Tenant each month shall be applied to Tenant obligations chronologically beginning with the earliest obligation incurred. Any outstanding Tenant obligations at end of tenancy may be deducted from Tenant's security deposit and/or last month's rent.
- I. To submit all available properties for rent, including those of other Client/Owners Agent, to all interested parties.
- J. To resolve disputes over security deposits and any other sums due. Agent may use any lawful means to resolve such disputes. Agent is authorized to compromise and settle claims on Owner's behalf as may be necessary or prudent in Agent's judgment.
- K. To accept or decline checks for rental and other payments due from Tenants according to Agent's policies. Agent shall not be held liable for bad checks or money not collected. Owner shall reimburse Agent for any sums disbursed on the faith of such checks should they be uncollectible for any reason. Owner agrees to hold Agent harmless for any failure to secure Tenants for the Owner, any cancellation by the Tenants and/or failure to collect any rents or monies due from the Tenants for any reason.
- L. To make every reasonable effort to collect rents and other monies from Tenant when and as they become due, however, Agent does not guarantee the payment of Tenant obligations. Agent may employ collection agencies, attorneys, or any other reasonable and lawful means to assist in the collection of any outstanding Tenant obligation.
- M. To render monthly statements to Owner of income and expenses and to disburse to Owner the net proceeds of such accounting. Statements and financial disbursements will be made customarily between the tenth (10th) day and twentieth (20th) day of each month, but in no case will disbursements be made until Tenant funds have cleared Agent's bank. In the event disbursements should be in excess of income collected, Owner shall pay such excess promptly to Agent. Agent may reserve Owner's funds to meet obligations that are or may become due thereafter and for which current income may be adequate.
- N. To deposit all receipts collected for Owner or held on behalf of Tenant in escrow accounts separate from Agent's personal funds. However, Agent shall not be held liable in the event of bankruptcy or failure of depository (such as a bank or banking institution.) Agent may require releases from all parties in the event of a controversy before disbursing escrow funds.
- O. To receive interest on any Agent escrow accounts, and interest received, if any, above that which may be required by Florida Statutes to be paid to Tenant or others, shall belong to Agent to offset Agent's time and expenses of maintaining such accounts, and Agent need not account for such interest received to Owner.
- P. To arrange for authorized individuals to inspect, survey or view the Premises as directed by Owner.
- Q. To provide security deposit evaluations to Owner and submit recommendations and cost estimates, of any, to Owner at the expiration of a tenancy.
- R. To honor Owner's preference with respect to allowing pets to be kept on the Premises. Pets — other than animals trained or used for assisted living purposes — will be permitted only with prior approval of Owner.

- S. Rental Rates will be the current market rate as determined in the sole judgment of Agent or no less than \$ _____ per month. Late charges or fees owed by any Tenants shall be collected at the discretion of the Agent and Agent shall retain any such charges and late fees.
- T. Agent is given the authority to sign all lease(s).
- U. Damages or Missing Items: Agent is not responsible for damage to the premises or items missing, switched out, lost or damaged under any circumstances, including but not limited to, theft, vandalism or negligence of Tenants or their guests. In furnished units, an inventory will be checked by Agent at departure. In the event Tenants damage the premises or owes any monies to the Owner, Agent is given the exclusive authority to determine in its professional judgment the amount due, charge the Tenants accordingly and/or settle with the Tenants upon advice Agents legal counsel. Agent is given the power to make claims upon the security deposit on behalf of Owner and Agent shall not be held liable for any failure to make claims on any damages which were not readily apparent to Agent.

IV. OWNER PROVIDES THE FOLLOWING ASSURANCES:

- A. That he/she/they/ constitute all of the Owners of the Premises and will provide a copy of the deed if requested by Agent. That he/she/they have full power and authority to hire Agent and have the right to receive income proceeds from the Premises and that this power, authority, and right have not been assigned, or transferred to others.
- B. That all mortgages, and taxes, insurances and association dues are currently paid and are not in default, that the Premises is not now the subject of a foreclosure or pending foreclosure action. In the event a foreclosure action is filed against Owner, Agent shall be notified immediately in writing. Owner shall indemnify, defend and save Agent harmless in any foreclosure action.

V. OWNER ACCEPTS THE FOLLOWING RESPONSIBILITIES:

- A. To keep Agent informed of any changes of Ownership interest in the Premises.
- B. To be responsible for payment of the following recurring expenses: mortgage payments, taxes, fire or other insurance premiums, Homeowner/Condominium Association obligations, and any other recurring expenses unless that responsibility has been accepted by Agent in writing. Agent shall not be required to advance his own money to pay any Owner obligations, including recurring expenses, unless Owner has provided sufficient funds to cover the amount. Monthly income collected, if any, shall be applied chronologically beginning with the earliest obligation, including Agent's compensation, and the remaining balance, if any, shall be available for remaining obligations and recurring expenses. Mailing of previous month's statement to Owner shall be sufficient notice to Owner of balance on hand and the need for additional funds. Owner assumes full responsibility for any consequences resulting from late payment or non-payment of any obligation or recurring expenses should Agent be unable to make said payments due to insufficient funds on hand, lack of income from the Premises, non-delivery or delay of mail, or for any other reason beyond Agent's control.
- C. To provide Agent with current and up-to-date copies of any applicable Condominium or Homeowner Association rules and regulations. In the event Tenants fails to comply with the rules and regulations and the Association or Board levies fees, fines, or assessments against Owner, Agent shall not be liable for the payment of such obligations.
- D. To keep Premises adequately insured, and shall immediately notify Agent in writing should insurance lapse.
- E. To keep Agent informed in writing of any changes of Owner's mailing address and phone numbers.
- F. To place in reserve with Agent **three hundred dollars (\$300.00)** per property/unit, for the purpose of maintenance repairs, or other expenses that may arise, and authorize Agent to replenish this reserve from rents collected.
- G. To cooperate fully with Agent in complying with all applicable building, housing, and health codes, as well as applicable **Fair Housing regulations. The Premises shall be rented without regard to race, creed, color, religion, sex, national origin, age, disability, marital status, familial status, or sexual preference.**
- H. To indemnify, defend, and save Agent harmless to all cost, expenses, suits, claims, liabilities, damages, proceedings, or attorney's fees. Also included, but not limited to, are those arising out of any injury or death to any person or persons or damage to any property of any kind whatsoever. In addition to the above stated would be whomsoever belonging, including Owner, in any way relating to the rental, leasing and management of the Premises or the performance or exercise of any of the duties, obligations, powers, rights or authority granted to Agent. Owner agrees to and does hereby indemnify and hold harmless the Agent, it's employees, agents and assigns, from any and all claims, suites, damages cost, losses and expenses arising from the management of the property and from any injury to persons and/or property occurring on or about the Premises. Owner agrees to indemnify Agent for damages suffered as a result of any lapse in or failure by Owner to maintain insurance coverage.
- I. To carry, at Owner's expenses, such public liability and property damage, as shall be adequate to protect the interest of both Agent and Owner.
- J. That Agent shall not be liable for any willful neglect, abuse or damage to Premises by Tenants or others nor for loss of or damage to any personal property of Owner by Tenant including loss due to exchange or theft by Tenants or others. Agent shall not be responsible for nonpayment of or theft of any utility service by Tenant. Agent shall not be held liable for any error of judgment or mistake of law except in cases of willful misconduct or gross negligence.
- K. Utilities: If allowed by law and unless otherwise agreed to by the parties, Tenants are required to have telephone service, cable, electric service, water service and all other utilities in their own name. In any lease where the Tenants shall have use of the Owner's utilities and be responsible for all or part of the bills, Owner shall pay the entire bill in a timely manner and forward copies to this office for reimbursement. Under no circumstances shall Owner cause the termination of these services and Owner agrees to indemnify Agent for any damages or litigation fees/cost incurred by Agent if Owner improperly terminates a utility service. Agent will deduct bills to the extent of funds available. Owner agrees that Agent shall be in no way responsible for nonpayment of or theft of any utility service by Tenants.

VI. MANAGEMENT COMPENSATION: In consideration of the services to be rendered by Agent, Owner shall pay Agent each month any and all of the following forms of compensation as may be applicable as they become due:

- A. **FOR MANAGEMENT:** Ten percent (10%) of gross rentals due during occupancy each month. If a tenant occupies the rental unit for less than full month, the management fee will be prorated based on the number of days the tenant stayed during the month. The minimum management fee shall be \$75.00 per month. Should a security deposit claim be made to cover any unpaid rent, management fees will be applicable to such rent also. Agent may assess an hourly fee for special services not specified in this agreement.
- B. **FOR LEASING:** A leasing fee in the amount of 100% of the rent due at the beginning of each new tenancy (first full month's rent).
- C. **LEASING GUARANTEE:** If Tenant has been qualified by Agent and defaults on the original lease term, Agent will re-lease the Premises and waive the leasing fee except the showing fee paid to a cooperating broker (as long as default was without Owner approval).
- D. **LEASING RENEWALS:** A renewal fee of 25% of the rent due upon the renewal of lease. Any extension of the Tenant occupancy shall be deemed a renewal of the previous rental term for the purpose of renewal compensation.

- E. OWNER SUPPLIED TENANT: If the Owner provides a tenant to Agent for qualification and subsequent lease the leasing fee paid to Agent shall be \$250.00, instead of the one (1) full month's rent due. Owner's tenant shall complete Agent's rental application and pay application fees and will be subjected to Agent's rental qualifications, and shall pay rents and security deposit to Agent. If there is an existing tenant occupying the premises, there will be only an administrative fee of \$125.00.
- F. FOR SALE TO TENANT: If a sale or exchange of the managed property is effected to a tenant who occupies the property during the term of this agreement, or anyone acting on the tenant's behalf, Agent shall be considered the procuring cause of such sale and Agent shall be paid a commission of two and a half percent (2.5%) of the gross sales price upon the close of the transaction. This provision for sales commission shall survive any termination of this agreement

VII. TERMINATION:

- A. This Agreement is entered into by the parties hereto for not less than twelve (12) months and automatically renews for twelve (12) month periods on each yearly anniversary date. Owner may cancel this agreement on its anniversary date by giving the other written notice to terminate this agreement at least 60 days prior to each said anniversary date. However, if upon receipt of cancellation notice from Owner the property is occupied with renters then the term of this agreement shall extend to run concurrent with the term of the tenants possession in the property and shall not expire until property is next vacant. Owner may opt to cancel this agreement at any time by giving a 60 day written notice and paying a cancellation fee equal to one month rent, and all Agent's unreimbursed cost and expenses including third party vendors and attorneys' fees, is any.
- B. Broker reserves the right to terminate this agreement with 30 days written notice to Landlord at any time, or immediately with written or verbal notice if in the opinion of Broker's legal counsel.
- C. Owner may terminate this Agreement in writing before Agent has committed to a Tenant for the Premises and shall reimburse Agent for any out of pocket expenses.
- D. All provisions of this Agreement that indemnify, defend, and save Agent harmless to any and all matters shall survive any termination of this Agreement.
- E. Agent may withhold funds for thirty (30) days after the end of the month in which this Agreement is terminated to pay any obligations; Owner shall pay Agent the deficit within thirty (30) days of termination date.
- F. In the event this Agreement is terminated by either Owner or Agent, regardless of cause, the parties agree that Agent shall have no further obligation to rent, lease, or manage the Premises.

VIII. MODIFICATION OF THIS AGREEMENT: Agent may change the terms of this Agreement by giving ninety (90) days written notice to Owner. The ninety (90) days shall be counted from the date notice was mailed. Should no written objection be forthcoming from Owner within the ninety (90) days period, Owner's acceptance of said changes shall be presumed. Any exception would be a change required by applicable statute or regulation in which case the change would become effective according to the time period required by such statute or regulation.

IX. OWNER AND AGENT MUTUALLY AGREE:

- A. That this Agreement shall be governed by and construed in accordance with the laws of the state of Florida. Should one or more of the provisions contained in this Agreement be held to be invalid, illegal, or unenforceable, that disability shall not affect any other provision of this Agreement
- B. That in the event that legal procedures are necessary to enforce any provision of this Agreement the prevailing party shall be entitled to recover or receive an award for their reasonable legal fees.

X. OTHER TERMS OF MUTUAL AGREEMENT: _____

XI. NOTICES:

For purposes of this Agreement, all notices required herein shall be deemed to have been served upon the other party when mailed to the following addresses or to such other address as shall be changed in **Writing**, properly notifying the other party:

AGENT: Bahia Property Management E-Mail: raleman@BahiaRealtyGroup.com
Office Address, Phone & Fax Information: **SEE EXHIBIT A**

Owner's Name: _____
Mailing Address: _____ Country: _____
Phone Numbers: Home: _____ (Work) _____ (Mobile) _____ (Fax) _____
Owner Net Check/Deposit Made Payable To: _____
Email: _____ Social Security #/ Taxpayer ID#: _____ (Required for 1099's)

XII. ENTIRE AGREEMENT, SUCCESSORS AND ASSIGNS:

This Agreement embodies the entire understanding of the parties. All prior or contemporaneous agreements, understandings, representations, warranties, or statements, oral or written, are merged into this Agreement. This Agreement shall become binding upon the successors and assigns of Agent, and the heirs, administrators, executors, successors, and assigns of Owner, and may be sold or assigned by Agent to any person or entity legally qualified to fulfill its terms.

FACSIMILE SIGNATURES: The parties agree that this Agreement may be executed by Facsimile and such Facsimiles shall be binding as if originals.

OWNER: _____ DATE: _____ OWNER: _____ DATE: _____
OWNER: _____ DATE: _____ AGENT: _____ DATE: _____
(Bahia Property Management)

Exhibit A

Bahia Property Management Local Office Address & Contact Information

Tampa

Address: 2002 N Lois Ave, Suite 595, Tampa, FL 33607

Phone: 813-879-6800

Fax: 813-879-6703

Orlando

Address: 7550 Futures Dr, Suite 201, Orlando, FL 32819

Phone: 407-956-5441

Fax: 407-513-4253

Miami

Address: 8200 NW 52nd Terrace, Suite 104, Doral, FL 33166

Phone: 786-623-4448

Fax: 786-866-3349



BAHIA
PROPERTY MANAGEMENT

PLEASE
COMPLETE
ONE W-9 FORM
PER OWNER.

***NOTE: FILLING OUT THE FORMS
COMPLETELY WILL HELP PREVENT
DELAYS IN RENTING YOUR PROPERTY.***

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.	Name (as shown on your income tax return)	
	Business name/disregarded entity name, if different from above	
	Check appropriate box for federal tax classification: <input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ <input type="checkbox"/> Other (see instructions) ▶ _____	Exemptions (see instructions): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____
	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)		

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line 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									

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

Employer identification number									

Part II 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. citizen or other U.S. person (defined below), and
4. 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. The IRS has created a page on IRS.gov for information about Form W-9, at www.irs.gov/w9. Information about any future developments affecting Form W-9 (such as legislation enacted after we release it) will be posted on that page.

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, payments made to you in settlement of payment card and third party network transactions, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

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. 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

4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct.

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.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS a percentage 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* on page 1.

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

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 your 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/disregarded entity name" line.

Partnership, C Corporation, or S Corporation. Enter the entity's name on the "Name" line and any business, trade, or "doing business as (DBA) name" on the "Business name/disregarded entity name" line.

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 Regulation section 301.7701-2(c)(2)(iii). Enter the owner's name on the "Name" line. The name of the entity entered on the "Name" line should never be a disregarded entity. The name on the "Name" line must 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 the "Name" line. 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 the "Business name/disregarded entity name" line. 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.

Note. Check the appropriate box for the U.S. federal tax classification of the person whose name is entered on the "Name" line (Individual/sole proprietor, Partnership, C Corporation, S Corporation, Trust/estate).

Limited Liability Company (LLC). If the person identified on the "Name" line is an LLC, check the "Limited liability company" box only and enter the appropriate code for the U.S. federal tax classification in the space provided. If you are an LLC that is treated as a partnership for U.S. federal tax purposes, enter "P" for partnership. If you are an LLC that has filed a Form 8832 or a Form 2553 to be taxed as a corporation, enter "C" for C corporation or "S" for S corporation, as appropriate. If you are an LLC that is disregarded as an entity separate from its owner under Regulation section 301.7701-3 (except for employment and excise tax), do not check the LLC box unless the owner of the LLC (required to be identified on the "Name" line) is another LLC that is not disregarded for U.S. federal tax purposes. If the LLC is disregarded as an entity separate from its owner, enter the appropriate tax classification of the owner identified on the "Name" line.

Other entities. Enter your business name as shown on required U.S. 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/disregarded entity name" line.

Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the *Exemptions* box, any code(s) that may apply to you. See *Exempt payee code* and *Exemption from FATCA reporting code* on page 3.

Exempt payee code. 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. Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.

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

The following codes identify payees that are exempt from backup withholding:

- 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
- 5—A corporation
- 6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States
- 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, 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—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 possession of the United States, 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 Reg. 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 Reg. 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

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 page 2), 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 Social Security Administration 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 the "Name" line 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 Regulation section 1.671-4(b)(2)(i)(A))	The grantor*
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 Regulation 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 1.

***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, social security number (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 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.