

Independent Contractor's Agreement

This Independent Contractor's Agreement (ICA) is between **Champion Realty, Inc.** (Champion Realty) and _____ identified from now on as the **Licensee**. The Licensee is a person with a real estate license issued by the State of North Carolina who wishes to use the services, facilities, programs and opportunities offered by the Champion Realty brokerage office. The **effective start date** of the ICA will be the date signed by Champion Realty.

Either party may terminate this ICA at any time, with or without cause, by verbal or written notice.

A. CHAMPION REALTY AGREES TO THE FOLLOWING:

- A1.** To provide brokerage support services that meet or exceed the requirements set forth by the North Carolina Real Estate Commission for supervision, training, adequate facilities, escrow accounting, file maintenance, and other services. Broker supervision is provided by principal and respective Brokers-in-Charge;
- A2.** To provide communications services for the Licensee and the Licensee's customers and clients. Champion Realty first attempts to pass all calls to the Licensee whose listing, sign or ad has produced the call. If Licensee does not respond within 24 hours, Champion Realty will then assign the lead to a different agent;
- A3.** To provide information services to the Licensee. Licensee's have 24-hour access to all company documents and forms;
- A4.** To provide yard signs (not including riders) with frames to Licensee as needed for new listings;
- A5.** To provide personal phone extension number and branded e-mail address;
- A6.** To pay the errors and omissions insurance premium for the agent;
- A7.** To pay Licensee commissions and referral fees per the latest, signed Compensation Agreement.

B. THE LICENSEE AGREES TO THE FOLLOWING:

- B1.** Licensee represents that he or she is duly licensed by the State of North Carolina as a real estate broker (or provisional broker). Licensee shall keep his/her North Carolina real estate license current during the terms of this ICA, including satisfying all applicable continuing education and provisional license requirements. Licensee shall promptly (within 24 hours) notify Champion Realty should Licensee's license become inactive, revoked or expired, or should Licensee face any disciplinary hearings with the North Carolina Real Estate Commission;
- B2.** To abide by all rules, policies and procedures of Champion Realty as contained in the most recent signed version of the ICA, as well as in the company intranet site, in periodic office updates and emails, and in any other company policy manuals, documents, or publications. These additional sources of policy information (or notices of policy changes) are considered to be, by extension, a part of the ICA. Licensee further agrees to comply with supervision and training requirements of the principal and brokers-in-charge, and to maintain and increase the good will and reputation of Champion Realty;
- B3.** To abide by all federal, state and local laws, rules and regulations, including, but not limited to, those governing real estate licensing, RESPA (Real Estate Settlement Procedures Act) continuing education, advertising, signs, fair housing, Do Not Call lists, CAN-SPAM Act, Junk Fax Prevention Act, required and timely disclosures, paperwork requirements, and all matters relating to real estate transactions and real estate agency;
- B4.** To abide by all regulations, educational requirements, rules of ethical conduct, and standards of practice as established by the national (NAR), state (NCAR) and local associations of Realtors;
- B5.** To abide by all rules and regulations of the MLS provider of which you are a member;
- B6.** To turn in all earnest-money deposits to the closing company as soon as an offer has become a contract, and to follow HUD and VA earnest money guidelines for those types of contracts. Licensee acknowledges and understands that Champion Realty DOES NOT maintain a trust account for earnest money. Those payments are to be made directly to the closing agent of the Buyer's choice. Licensee shall not ever receive funds from clients in its personal name nor receive any cash payments from clients. All trust funds shall be handled per North Carolina Laws, Rules and Regulations;

- B7.** Licensee shall NOT accept commission payments made out directly to Licensee under any circumstance, without the first prior, written permission of Champion Realty (ex: Commission Disbursement Authorization (CDA));
- B8.** To use forms acceptable to Champion Realty for all real estate agreements, contracts, addenda, and status updates, and to make such agreements, contracts, addenda, and updates only in the name of Champion Realty. Licensee agrees to file such required paperwork with Champion Realty, including any commissions or fees received by the Licensee, within one business day of receipt (and whether or not any commission is being charged). Licensee further agrees that all required paperwork will have been filed with the office before the Licensee is paid any commissions;
- B9.** All files and documents pertaining to listings, leads and transactions are the property of Champion Realty and shall be delivered to Champion Realty by Licensee according to the manner and term indicated in the company's Policy & Procedures Manual;
- B10.** To promptly provide signed copies of all pertinent documents to appropriate parties. Licensee also agrees to wait to place a yard sign on a property until a listing agreement has been signed, and to include a personal name and phone number rider on the yard sign. Licensee further agrees to notify the office immediately when a sign is placed or a new listing is entered into the MLS, and to promptly provide the office and Centralized Showing Service (when applicable) with completed and updated showing instructions;
- B11.** While affiliated with Champion Realty, Licensee shall use Champion Realty's name 'Champion Realty' or distinctive logo on signage, stationary, websites, email signature lines, and/or any other marketing materials. Licensee agrees that Champion Realty retains exclusive rights to the 'Champion Realty' trademark logo and graphics. Licensee agrees to discontinue use of the Champion Realty trademark logo and graphics immediately upon the termination of this ICA;
- B12.** To facilitate the correct handling of incoming calls by including Licensee's name in all ads, signs, promotional materials, and web pages, and by providing complete and current showing instructions for all Licensee's listings;
- B13.** To be responsible for the maintenance and disposition of keys to properties listed by Licensee;
- B14.** To be responsible in the preparation, timely submission of, and payment for Licensee's own advertising;
- B15.** To stay informed about and meet all educational, E&O insurance, or any other requirements for real estate license retention, and to do whatever is necessary, at Licensee's own expense, to keep Licensee's real estate license in an active status;
- B16.** While Champion Realty does not provide an office space for the Licensee, Licensee may work from home, personal office, vehicle or any other places of Licensees choice. However, Licensee is responsible to store all transaction documents in a safe place and be able to present them at Champion Realty's request within 24 hours. Licensee must be accessible by phone, fax, e-mail and postal mail, and respond to all voicemails within a maximum time frame of 24 hours;
- B17.** Licensee is NOT allowed to help their clients with a loan modification in any way. This includes, but is not limited to: a) representing them as your clients with a loan modification company; b) calling a loan modification company on their behalf; c) referring them to a loan modification company; d) getting paid by a loan modification company; or e) helping them in any way with a loan modification;
- B18.** To provide full service to Licensee's customers and clients, and to respond promptly when called. Licensee also agrees to arrange for coverage by a fellow agent whenever the Licensee is going to be unavailable; and
- B19.** To make available to the office a current email address, and a phone number at which the Licensee can be reached.

C. LICENSEE'S FINANCIAL OBLIGATIONS

- C1.** The Licensee is responsible for the following expenses:
- a. The Champion Realty Monthly Dues (\$50.00 per month);
 - b. Real estate licensing and renewal fees (paid to the North Carolina Real Estate Commission);
 - c. Continuing education tuition and expenses;
 - d. Realtor Association dues (paid annually to your local association) and any of their required fees;
 - e. Membership with a Multiple Listing Service in your geographical area of service;
 - f. Personal advertising and promotion expenses;
 - g. Personal copies/printouts and faxes;

- h. Personal cell phone, pager, long distance and toll free number expenses;
- i. Personal postage, letterhead, envelopes, maps, photos, and any home office expenses;
- j. Personal automobile insurance and expenses (Note: Automobile liability insurance is mandatory);
- k. Personal health, life, accident, and worker's compensation insurance for self-employed contractors);
- l. Personal legal and accounting services;
- m. Licensee's professional designation dues and fees;
- n. Personal secretarial and other administrative services;
- o. Personal travel, food, lodging and entertainment expenses; and
- p. Personal taxes – including estimating income taxes, self-employment taxes, and the like.

C2. Monthly Bill: Champion Realty will email to Licensee an invoice for monthly dues on or before the 15th day of each month, covering a period for the following calendar month. If the monthly bill has not been paid on or before the last day of the month in which the invoice was submitted, **a late penalty of \$5.00 per day** will be assessed beginning the first day of the following month. {Example: Invoice will be submitted on January 15th for the month of February. If payment is not received by January 31st, a \$5.00 late fee will apply beginning February 1st, and will continue to accrue at a rate of \$5.00 per day until the total (monthly fee and all late fees) are paid in full. Any past due amounts will be deducted from commissions paid to Licensee.

D. MISCELLANEOUS PROVISIONS

D1. Independent Contractor: Licensee is considered to be an Independent Contractor. Nothing contained in the ICA creates any relationship (employer/employee, joint venture, partner, shareholder) between the parties other than as set forth in the ICA. Licensee is neither considered nor defined as an 'employee' with respect to the services performed for federal, state, tax, worker's compensation, or any other purpose. Licensee releases Champion Realty from any and all claims for work-related injuries. Champion Realty does not withhold any form of tax from commissions paid to Licensee. A 1099 form will be provided annually for the Licensee's income tax purposes. The success of Licensee in the real estate business is speculative and will depend on many factors including Licensee's independent business ability. Licensee has not relied on any representation, written, printed or oral, express or implied, as to Licensee's potential success in the real estate business.

D2. Commissions Charged to Clients: Licensee is free to negotiate the commission charged to a client, and the Licensee must provide full service to the client.

D3. Commissions on Personal Financial Interest Transactions: On any transactions whereas the Licensee (or their spouse) has any type of financial interest in the property, Champion Realty will receive the fee as dictated in the latest, signed Compensation Agreement.

D4. Expenditures: Licensee has NO authority to charge any expenditure to Champion Realty for any purpose, or to bind Champion Realty by any financial promise or representations to any party. All advertising expenses are paid directly by Licensee to the appropriate vendor. Champion Realty is not liable for any expenses incurred by Licensee.

D5. Legal Actions, Arbitration, and Collections: If Licensee becomes involved in or plans to initiate any legal action or arbitration that involves Champion Realty, Licensee agrees to consult with the company's Broker-in-Charge before and during the course of such litigation or arbitration, and to be responsible for any related costs incurred, including the fees of the company's attorney. Should any claims, complaints, violations, litigation or arbitration involving Champion Realty arise from the illegal or improper activities of Licensee, Licensee agrees to hold Champion Realty harmless and to pay all attorney's fees, court costs, E&O deductibles, filing fees, arbitration fees, damages, penalties, fines, awards, claims, judgments and all other costs and expenses incurred by Champion Realty in defending or satisfying any such claim. Any such unpaid costs and expenses owed to Champion Realty, including any pending claims from litigation, E&O, or arbitration, will be deducted from commissions to which Licensee is otherwise entitled. Licensee is responsible for and promises to pay any and all costs incurred by Champion Realty in the collection of amounts due under the terms of the ICA. **Note: This paragraph will survive the ICA in the event Licensee is no longer with the firm.**

Champion Realty, Inc.

7334 Chapel Hill Rd., Ste 102 Raleigh, NC 27607 Phone: (800) 290-4010 Fax: (866) 579-8452

Compensation Agreement

Company: Champion Realty, Inc.

Licensee: _____

Company agrees to compensate Licensee in the following manner, for transactions set forth:

- **Sales Transactions:** Company will retain 10% (with a minimum of \$250.00) and Licensee will receive 90% of all commissions and bonuses received.
- **Lease Transactions:** Company will retain 10% (with a minimum of \$25.00) and Licensee will receive 90% of all commissions and bonuses received.
- **Transaction Involving a Company Referral:** Company will retain 20% of the commission off the top, then 10% of the balance, with the remaining going to the Licensee. (Example: With a \$3,500 commission on a sales transaction, \$700 referral fee (20%) is paid to the Company for referring the client to you, which leaves a balance of \$2,800. From that \$2800, \$280 (or 10%) goes to the Company and \$2,520 to the Licensee.
- **Transactions Involving Referral Fees Paid to Other Agents:** Company will retain 10% of the entire commission amount, with Licensee and referring agent to split the balance (or as dictated within their referral agreement)
- **Referral Fees Received on Behalf of Licensee:** Company will retain 10% and Licensee will receive 90%
- **Property Management Referrals:** When Licensee refers a property management contact to Company, and contact ends up signing a property management agreement for a minimum of one year, Company will compensate Licensee in the amount of 2 months of property management fees. Commission to be paid to Licensee once the first month’s property management fee has been collected by the contact.
- **Recruiting Other Agents:** Company will compensate Licensee a referral fee for agents that Licensee refers to Company and who sign up to be affiliated with us. Referral fee to equal 10% of the company portion of commissions generated by the referee. Example: If the ‘referee’ sells a home, and the company portion of the commissions is \$350, then the ‘referror’ will get \$35 (10%). As long as both the ‘referror’ and the ‘referee’ are currently active with the Company , this fee will be paid once Company receives compensation from the closed transaction.

This engagement shall commence upon execution of this Agreement and shall continue in full force and effect through completion of the Independent Contractor’s Agreement (ICA) or until this Agreement shall be so modified in writing by both parties.

Agreed to, By:

Licensee Date

Company Date

CHAMPIONREALTY

SALES • LEASING • PROPERTY management

Policies & Procedures Manual

Date of Issuance: April 1, 2011

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1. About the Company

Associate Brokers are defined as independent contractors who are affiliated with a Broker or a firm, partnership, or corporation of which the Broker is a sole proprietor, partner or officer, who is actively engaged in real estate and licensed by the North Carolina Real Estate Commission as such.

1.1 General

The Broker is licensed by the North Carolina Real Estate Commission under the following name: Champion Realty, Inc. (the “Company”). Additionally, the brokerage is a member of the National, State, and Raleigh Regional Association of REALTORS®.

1.2 Our Philosophy

No other single attribute of a person or of a business can have such an impact on success or failure as integrity. We believe that every task must be undertaken with truth and honesty. If we must ask ourselves if it is alright to do something, it probably is not. Honesty in every action and truth in every word are the precepts for our corporate ethics. We expect honesty from our Employees and Associates.

Our clients and customers have a right to expect outstanding service. If we expect to be well paid, we must provide the best service available. We expect our Employees and Associates to provide excellent service. We are paid for our knowledge and for the skillful use of that knowledge for our customers and clients.

We should never undertake an assignment for a client or customer unless we have the training and experience to do the specific job. We believe in continuing education. Only by learning better ways to provide quality service can we enhance our reputations. We expect our Employees and Associates to continue developing their skills.

Sometimes, even the most competent professionals make mistakes. We understand this fact. Our clients and customers must be happy with the transaction, or we will not get repeat business, and our reputation within the community will suffer. If we make a mistake, we must be willing to stand accountable, and to make it right with the customer and/or the client. We expect our Employees and Associates to be accountable for their mistakes.

An organization can only be great when all members are working together. Helping one another whenever possible, giving the extra effort to cooperate with each other. We expect cooperation from each of our Employees and Associates.

The Code of Ethics of the National Association of REALTORS® is a guide for our daily business operations. The Laws, Rules & Regulations and Substantive Policy Statements of the North Carolina Real Estate Commission are clear regarding our obligations to our clients and customers. Our Employees and Associates must observe the Law, and abide by the Code of Ethics. At Champion Realty, we place a high priority on ethics. We do not vary from these principles under any circumstances, and we expect the same of all our Employees and Associates.

2. Policy Manual

2.1 General Purpose

Every organization has certain operations, designed to allow the firm to efficiently achieve its objectives.

The management of Champion Realty believes that our clients and customers can be best served if we set out in writing our philosophy and the procedures to be used in carrying out those policies.

We have attempted to provide detailed guidelines in this manual; however, there will be times when matters must be determined by management. These decisions shall be guided by philosophies of fairness, integrity, good communication and other Christian traits.

2.2 Responsibilities

You are responsible to work in accordance with North Carolina law as well as any NAR and local Association of REALTORS® rules and regulations and you should practice within these guidelines. Your failure to comply with the policies and procedures within this manual may result in your termination from this Company.

2.3 Changes in Manual

This Policy is a living document, and we will add to it and change it when appropriate. Changes can be made at any time and will then be distributed through e-mail to all Associate Brokers. The revised policies at any time represent the Company's current Policy and Procedures Manual. It is the Employee's and Associate's responsibility to review the published Policy and Procedures Manual on a regular basis to keep informed of any changes.

2.4 Exclusions from the Manual

This manual applies to Associate Brokers and Company employees.

2.5 Conflict with Associate Brokers Independent Contractor Agreement

In the event of a conflict between this Policy Manual and your Associate Broker Independent Contractor Agreement, the terms of this Policy Manual shall prevail.

Your Broker-in-Charge and support staff are available daily during reasonable working hours.

4.3 Business Cards and Yard Signs

You can order company business cards on your own or through the company. Yard signs will be purchased by the Company and available to Associate Brokers through a check-out system and deposit held while in use. BE AWARE: Certain municipalities, housing developments and Homeowners' Associations have strict guidelines, rules, and ordinances regarding the size and placement of signs. You must determine whether or not the Company's sign and its placement will conform to these requirements BEFORE installation. You are responsible to have the sign removed immediately once the listing expires or the property sale is closed. You are responsible for purchasing all sign riders.

4.4 Professional Conduct

As a member of the National Association of REALTORS®, you are expected to be familiar and comply with the Code of Ethics.

4.5 Working Place

Our Company does not provide office space for our Broker Associates. As you are an independent contractor, it is permissible to work from your home, your office, car or other places. However, remember that the Broker-in-Charge is required to supervise your activity. Be sure that all files and documents that you work on are in safe place and will be presented to Broker/Office within 24 hours. You must to be reachable by phone, email and regular mail and respond to voicemails within 24 hours. You need to provide us an address of your office or home.

4.6 Alcohol and Drugs

Obey North Carolina laws and the regulations and guidelines of NAR (National Association of REALTORS®) and comply with these requirements.

4.7 Professional Associations

A. Multiple Listing Service

The Company is a member of the Raleigh Regional Association of REALTORS® and the Triangle MLS (MLS). As an Associate Broker with this Company, you must join the MLS as well. As an MLS member, you are required to be familiar with, and adhere to, the rules and regulations of the MLS. A copy of those rules and regulations are on file in the office or through the MLS. If you fail to comply with those rules and regulations, or fail to pay your MLS bill when due, you and/or the Company may be fined, suspended or expelled, and your listings may be removed from the MLS. You will be responsible for payment of any and all fines levied against you and/or the Company resulting from your noncompliance. Furthermore, your noncompliance may result in your termination from the Company.

B. National, State, and local Association of REALTORS®

It is required that you maintain a current membership in the National, State, and a local area Association of REALTORS® at your own expense. Membership is billed annually through that local area Association of REALTORS®.

4.8 Fees and Commissions

All fees and commissions must be made payable to the Company, unless otherwise specified in a Commission Disbursement Authorization prepared by Company Management. You will be paid out of the fees and commissions earned by you, and for which you are the procuring cause, based on the terms mentioned in your Independent Contractor Agreement.

4.9 Tax Reporting

Prior to January 31st of each year, the Company will provide you with an Internal Revenue Service Form 1099 setting forth compensation paid to you by the Company during the preceding calendar year. Your income earned and expenses incurred have significant tax consequences. You are encouraged to get competent independent tax advice and keep accurate records of earnings and expenses.

4.10 Deductions

All expenses of any kind incurred by you with the Company; or incurred by the Company on your behalf, including unpaid draws and advances, expenses for advertising, supplies, signs, etc., and/or any such expenses that you have agreed to pay the Company but have not paid in accordance with Company policy, will be deducted from the next commission payments due you.

4.11 Trust Fund Handling

North Carolina law regulates the handling of earnest money deposits and you must comply with these laws. As a regular part of the real estate business, you will receive funds on behalf and for the benefit of others, i.e. "trust funds." The most common types of funds are earnest money deposits. Improper trust fund handling may lead to civil, criminal and Real Estate Commission action against you and the Company. Remember, you are handling someone else's money.

You are generally required to deposit trust fund money not later than the third business day after receipt, unless specifically authorized to hold the funds un-cashed. When you are representing a buyer you must ensure that earnest money deposits are made payable directly to escrow and reported to your Broker-in-Charge. IT IS ILLEGAL AND UNPERMISSIBLE TO RECEIVE FUNDS IN YOUR PERSONAL NAME OR ACCEPT CASH PAYMENTS FROM CLIENTS.

Company DOES NOT deposit earnest monies for sales transactions. All earnest monies are to be promptly delivered to the designated closing / settlement officer.

4.12 Identity Theft

Identity theft is a growing concern. So, it is essential that you treat with care and confidentiality all files containing names, addresses, phone numbers, social security numbers, credit card information or any other personally identifiable information. You must assure that any files containing such information that remain in your possession be kept in a secure location and disposed of properly.

4.13 Safe Driving / Automobile

You are expected to keep your automobile in a clean, properly maintained, and safe operating condition at all times. Remember: You are responsible for damage or injury caused while driving. It is your obligation to drive in a safe, responsible and alert manner; and maintain Automobile Insurance with sufficient liability limits.

4.14 Personal Transactions

You must disclose in writing that you are a real estate licensee whenever you buy or sell property in which you have an ownership interest, or where you have a special relationship with a buyer, or where there is a possibility that you could acquire indirectly a financial or legal interest in the property.

4.15 Vacations

As an Independent Contractor, you are entitled to schedule vacations. However, if there are any pending transactions, please advise the Broker-in-Charge of your vacation schedule and how any pending business will be handled in your absence.

4.16 Anti-Trust Guidelines

There is no ‘standard’ commission among REALTORS®. Each agent sets his or her commission schedule, independently, by negotiation with the seller or buyer. Accordingly, no individual should indicate to a seller or buyer that there is a ‘standard’ commission.

Under no circumstance should an individual with this organization discuss with any individual from another office, setting commission rates charged to seller or buyers. No individual should ever suggest a person must commit a certain act (or must not commit that act) or REALTORS® of our area will ‘boycott’ him, her or them.

Any or all of these acts could be prosecuted as a violation of Anti-trust Laws and could subject the individual and our Company to severe civil and criminal penalties.

4.17 Transaction Coordinators

Our company does not provide a transaction coordinator (T.C.) service. Staff is available to you to help maintain your files. You are responsible to see that the transaction file is complete and complies with all legal and association requirements.

5. Handling Clients

5.1 Proprietary Information

Treat all client information as confidential and proprietary. You have a fiduciary duty to your clients and must never use any information learned during the course of your representation of your clients in any manner adverse to their interests.

5.2 Fair Housing

The Company is committed to equal opportunity, fair housing and complying with all applicable local, state and federal fair housing laws

No Associate shall refuse to show or list a property because of the presence or absence of a protected class. All of our associates will provide equal service without regard to a buyers or sellers race, color, religion, sex, handicap, familial status, national origin, ancestry, creed or marital status.

We will refrain from making any statements that would infer that the presence or anticipated presence of any protected class will contribute to the decline of the public schools, make an area less safe, change the composition of an area or block, or lower property values.

We will not make derogatory remarks to anyone or about anyone. We will not tell racial or ethnic jokes.

We will absolutely refuse to take a listing from any seller who is not willing to abide by and accept our nondiscrimination policies.

The Company's Fair Housing Officer is your Broker-in-Charge. Any acts of discrimination shall be reported to your Broker-in-Charge immediately. Any acts of discrimination will be grounds for termination.

5.3 Agency Duties

A. Duties and Standards of Conduct

When you represent a principal in a transaction you have a fiduciary duty to that

person. This means you have a duty of utmost care, integrity, honesty and loyalty in dealings with that principal. In addition, a listing agent owes the buyer, and a buyer's agent owes the seller the following duties:

- a. Honesty
- b. Good faith and fair dealing
- c. Disclosure of known facts materially affecting the value or desirability of the property that is not within the diligent attention or observation of the parties
- d. The exercise of reasonable skill and care in performance of your duties

C. Agency Disclosure Requirements

You must provide a disclosure form entitled "Working With Real Estate Agents" (North Carolina Real Estate Commission Standard Form 520) in every applicable transaction. If you represent the seller, you must provide the disclosure form to the seller BEFORE entering into the listing agreement. Inform the seller of our policy regarding agency as set forth above. If you represent the buyer, the law requires that you must provide the buyer with an agency disclosure as soon as practicable BEFORE executing an offer to purchase.

5.4 Taking Listings

North Carolina law requires that a compensation agreement be in writing and signed by the party to be charged in order to be enforceable. If someone signs on behalf of another, you must have written evidence of the authority to act, such as a power of attorney or letter of administration.

If the property is in escrow, make sure the listing does not expire before close of escrow. Get all modifications or extensions in writing.

All listings are taken in the name of the Company, which reserves the right to reassign the listing upon request of the seller, or if the listing has not been handled properly.

5.5 Negotiating Commissions

The commission paid by client is negotiable. You will receive your commission minus the Company split. The Company reserves the right to set any fees when it is necessary. Any rebates promised to the Buyer or Seller, or referral fees promised to other licensed agents, will be deducted from the agent's portion of the commission.

5.6 Conducting Open Houses

NAR suggests guidelines when conducting open houses, you should follow these

guidelines.

5.7 Showing Properties

The NAR has guidelines when showing property you should follow these guidelines.

5.8 Drafting and Negotiating Contracts

A. When preparing an offer to purchase on a purchase agreement form or completing an addendum or counter-offer form:

- a. Fill in all blanks or place a line through them.**
- b. Review any written sentences or paragraphs to see if they can be clearly understood by someone who is not familiar with the discussions you may have had with your client.**
- c. Review this document in light of all prior offer terms, addenda and/or counter-offers to make sure that there are no ambiguities or conflicts between the various terms.**
- d. Review the document to be sure it reflects your client's wishes prior to asking them to sign.**

B. Remember, as a listing agent, you must present all offers to the seller, even if the property is in escrow, unless the seller has given you written instructions to the contrary. Upon receiving the offer, review it thoroughly for completeness, accuracy and clarity. Pay close attention to time limits set out in the offer, ESPECIALLY the time within which the seller must respond. Make an appointment as soon as possible to present the offer.

C. As with all contracts, you must obtain all parties' signatures. If a party signs on behalf of another, you must have evidence of that person's authority to do so in writing. If you must present an offer missing a signature, you must disclose this fact to the seller or listing agent. Be sure to condition the offer on obtaining any missing signature(s).

D. If your clients receive a counter-offer, be sure the terms are clear and complete. Be sure to review it against the original offer to purchase and all previous counter-offers. Act expeditiously to present the counter-offer for consideration, signature and timely delivery to the other agent.

5.9 Referral Fees

The Real Estate Settlement Procedures Act (RESPA) prohibits the payment of cash or anything of value from one settlement provider to another settlement provider (real estate agent, lender, Title Company, etc.). One exception is between

real estate brokers for the referral of clients, in which case referral fees may be paid or received.

6. Maintaining Files

6.1 General

Your files are a record of every event relative to your dealings with your client on a listing or sale transaction. Company must retain copies of all listings, deposit receipts, cancelled checks, and other documents executed by you or obtained by you in connection with a real estate transaction, whether the sale is consummated or not. Company must maintain a neat and orderly file on every listing and sale on which you work. All files are the property of the Company and are to remain in the Company's possession; and then held in storage in accordance with the NCREC after which time they may be destroyed properly.

6.2 Broker Review

You must submit all required documents to the Broker-in-Charge or his/her designee within 48 hours after receipt by you. Management will review the documents for completeness and accuracy. Remember, your file must be complete to receive compensation. Transaction checklists are available from Management at any time and posted on Company website.

6.3 File Requirements

- a. Transaction file requirements are available from Management upon request and posted on Company website.**
- b. Be sure all documents contain signatures of all parties required to sign and are dated correctly.**
- c. If you are not sure how to maintain a proper file, get help from Management.**

6.4 Get It in Writing

As a general rule, all agreements must be in writing. In fact, if you don't have a written agreement with the principal, you may not receive your commission. If you discuss anything with any party or another broker/agent, always confirm your discussions and understanding with a written follow-up to that party or broker/agent. Never sign anything on behalf of your client, another agent, broker or anyone else.

6.5 Do Not Use Outdated Forms

Always use current forms. Keep your on-line forms database up to date with the most current forms.

7. Personal Assistants

7.1 General

Generally, as your business increases, you may find hiring a personal assistant to be helpful. In hiring a personal assistant, you become an employer and have employer responsibility in that relationship. Interviewing, hiring and contracting with the assistant will be solely up to you. You agree that any assistant you hire will be required to abide by this Policy and Procedures Manual. Any compensation due the assistant shall be arranged between you and your assistant, and will be your responsibility.

7.2 Unlicensed Assistant

Unlicensed personal assistant may not engage in any activity which requires a real estate license. The Company shall never be obligated to pay your personal assistant.

7.3 Associate Broker – Personal Assistant Contract

You are required to have a written agreement with your personal assistant that expresses the nature of the relationship and each party's duties and responsibilities.

7.4 Workers Compensation

No Workers Compensation insurance is provided by the Company for assistants hired by agents. Agents who hire assistants may be responsible for providing Workers Compensation insurance for those assistants where required. Agents should discuss this situation with a Workers Compensation insurance representative.

8. Advertising Guidelines

8.1 General

Anytime you advertise property you must include the term "Broker," "agent," "licensee" or "REALTOR®."

8.2 Legal and Ethical Considerations

As an associate and licensee, you have both a legal and ethical obligation to be truthful when advertising property or services. All advertising must comply with all state and federal advertising requirements as well as the NAR Code of Ethics. Any false or misleading advertisement will immediately be withdrawn by the Company. Legally, you may be held liable for fraud, intentional misrepresentation, or negligent misrepresentation if you make material false statements or material omissions in an advertisement. Additionally, you may face

disciplinary action from the North Carolina Real Estate Commission.

8.3 Company Name and Logos

The Company's name and/or logo must be include in all advertisings and conform to the Company's graphic standards regarding the style, color and uses of the name and logo.

8.4 REALTOR® Trademark

The use of the name REALTOR® must be used in compliance with the National Association of REALTORS® guidelines governing the use of that name and mark. Those guidelines are available on-line at: www.realtor.org.

8.5 Telephone: Do-Not-Call Compliance

You are required to comply with the do-not-call laws which generally prohibit “telephone solicitations” to residential and cell phone numbers registered on the National Do-Not-Call Registry.

a. You may not call anyone at their home or cell phone number if listed on that Registry unless an exemption applies. Exemptions include written permission or an established business relationship in the past 18 month.

b. Cold Calling: You are encouraged to explore cold calling as a method of business promotion, but you must comply not only with the do-not-call rules, as well as other cold calling requirements as follows:

1. You may not call a residence before 8:00 AM or after 9:00 PM.

2. You must provide the called party with your identity and telephone number where you may be contacted.

3. You may not call any emergency lines, health care facilities, radio common carrier services (cellular or paging services) or any service for which the called party will be charged for the call.

c. It is your responsibility to adhere to this policy and will be solely responsible for any violation, including any fines, penalties, damages recovered, settlements or attorney’s fees and costs.

8.6 Fax Advertising

There are state and federal laws prohibiting faxing to recipients with unsolicited commercial advertisements or solicitations. Exemptions include prior permission or an established business relationship.

8.7 Fair Housing

The Company is committed to equal opportunity and fair housing in all of its advertising. Be aware that the selective use of words, phrases, symbols, visual aids and media in the advertising of real estate may indicate preferences held by the advertiser and lead to allegations of discriminatory housing practices. Words in a real estate advertisement which indicate a particular race, color, sex, handicap, familial status or national origin are considered likely violations of the Federal Fair Housing Act and may not be used in Company advertisements.

9. Policy against Harassment

9.1 Company Policy

It is the policy of the Company that its employees, associates and visitors be free of harassment. Harassment is damaging to morale, serves no legitimate business purpose, is unlawful, and exposes the Company and the individuals involved to significant legal liability.

9.2 Enforcement

If you believe that you have been harassed, please bring the problem to the attention of the Broker-in-Charge. You do not have to put your complaint in writing, but it is helpful to provide details about dates, times, places, and witnesses to the harassment. All complaints will be investigated promptly by designated Company management. If your complaint of harassment is found to be totally and completely without basis, appropriate measures may be taken against you.

10. Litigation and Claims Handling

10.1 General

You are required to:

- a. Promptly notify your Broker-in-Charge of any claim or potential claim made against you and/or the Company, including any demand received by you for money or services alleging a negligent act or omission; any notification of the commencement of a lawsuit, arbitration or mediation process; or any written or verbal notice or threat that anyone intends to hold you and/or the Company responsible for any alleged wrongdoing.**
- b. Cooperate with the Company in the defense of a claim.**
- c. Promptly pay to the Company any amounts due hereunder upon notice to you from the Company.**

10.2 Legal Defense

A. When a claim or demand is made, or a lawsuit or other action is filed, against either you or the Company by a third party which alleges any breach of any duty, error or omission, or negligence in the performance of "Professional Services," as that term is defined in the Company's Errors & Omissions Policy of Insurance, for activities covered by the Insurance Policy, then the Company shall defend the claim, and the cost of such defense shall be allocated as set forth herein.

B. Company has the right to make all decisions concerning the defense of the claim, including choice of counsel. In the event you object to any decision made by the Company, you may obtain your own attorney at your own expense; however, you shall not be relieved from the obligation to pay your portion of the cost of the claim as set forth herein.

10.3 Allocation of Costs of Defense

A. Except as provided below, the cost of defense of the claim, or to defend or protect against any potential or possible Claim where the Company or you are not involved as a party, including attorney's fees, and the cost of any settlement or a judgment (collectively the "Costs of Defense"), shall be allocated between the Company and you in the same percentages as per your Independent Contractor Agreement or prospective transaction that led to the Claim, whether or not the transaction actually closed.

B. You shall be responsible for all Costs of a claim if you fail to follow any law, regulation or Company policy as set forth in this Policy and Procedures Manual, and that failure results in a judgment or other final adjudication based on that failure.

C. You shall be solely responsible, and shall reimburse the Company, for all of the Company's Costs of Defense if a judgment or other final adjudication on any claims adverse to the Company and/or you:

- 1. Establishes that dishonest, fraudulent, criminal, or malicious acts, errors or omissions were committed; or,**
- 2. results in a finding of intentional tort, slander, defamation or any conduct which leads to the imposition of punitive, exemplary or multiple damages, or fines or penalties; or,**
- 3. establishes discrimination on the basis of race, creed, religion, ethnic background, national origin, age, sex, handicap, familial status, physical disability, sexual preference, or any other unlawful classification; or,**
- 4. results in a finding of pollution or any wrongful act in connection with any such pollution, including the discharge release or escape of any hazardous materials as defined in the Insurance Policy; or,**

5. Result in a finding of any liability for claims for damage to property or death or injury to persons arising out use, removal or exposure to goods or products, in any form, composed in whole or in part of lead, asbestos or asbestos related materials.

10.4 Disputes during Escrow

If a dispute arises during an escrow between seller, buyer, the cooperating broker and/or the Company:

- a. Which cannot be resolved by negotiations between the parties and the agent(s) involved; and**
- b. The Company determines that it is in the best interest of the Company to resolve the matter during escrow rather than risk a potential claim or litigation after close of escrow; then your Broker-in-Charge has the right to negotiate a resolution of the dispute which may involve a reduction in the commission to be received, or a credit given to one of the parties. In that event, and regardless of actual Company or agent liability or responsibility in the dispute, the agent(s) and the Company will participate in the commission reduction or credit pro rata.**

10.5 Agent-Owned Property

Any property in which you have, or will acquire, an ownership, financial or other legal or other interest, is “Agent-Owned Property.” The Company’s E&O Insurance Policy governs coverage of the sale or purchase of any Agent-Owned Property. In any sale or purchase of Agent-Owned Property not covered by the E&O Insurance Policy, you shall be solely responsible for costs of defense, settlement or judgment on any claim, suit or action of any nature arising therefore.

In the event you are selling or purchasing Agent-Owned Property, you must:

- 1. Notify your Broker-in-Charge in advance;**
- 2. Obtain, in advance, your Broker-in-Charge approval of all marketing material and disclosure documents; any purchase contract provisions prior to their execution; and any correspondence or other writings that pertain to the purchase or sale;**
- 3. Not represent buyers or prospective buyers in the sale of Agent’s Property;**
- 4. Notify your Broker-in-Charge immediately in the event that any of the Company’s agents writes an offer on your property.**

11. Dispute Resolution

11.1 Intra-Office Dispute Resolution

All disputes involving you and another associate of the Company will be promptly reported to the Broker-in-Charge. The Broker-in-Charge, or designated members of the management team, will attempt to resolve the dispute through informal mediation in which all affected Broker Associates are expected to participate. You agree that all disputes involving another associate which cannot be resolved by the Company, and disputes involving the Company, will be resolved by binding arbitration with the local Association of REALTORS® in accordance with the bylaws and rules the in effect.

11.2 Third Party Disputes

You are required to immediately notify your Broker-in-Charge of any dispute or claim involving you, another associate of this office, the office itself, the Company, and a third party, including brokers and associates of other brokerages. The Company will make all reasonable efforts to resolve the dispute informally. Any such resolution will be binding on the agents involved in the dispute or claim.

12. Termination

12.1 Grounds for Termination

Your association with the Company can be terminated by either party, with or without cause, at any time.

12.2 Associate's Compensation on Termination

If Association with the Company is terminated while you have any contingent or pending transactions that require further work normally rendered by you, the Broker-in-Charge will make arrangements with another Associate Broker in the Company to perform the required work. The licensee performing the work shall be reasonably compensated for completing work on those listings or transactions, and such reasonable compensation shall be deducted from your share of the compensation. Except for such offset, you shall receive the compensation due as specified in the Independent Contractor Agreement.

12.3 Listings

Listings are the property of the Company, even upon your termination. Within 24 hours after notice of termination by either party, you must provide your Management with a list of all active listings taken by you, and all pending transactions in which, if completed, you will be entitled to compensation from the Company in accordance with the terms of your Independent Contractor, or other written agreement. Listings that were obtained by the Agent, whereas they were

not referred by another agent with Champion Realty, and that are not in either a pending or contingency status, will be released to the Agent.

Acknowledgement:

I, the undersigned Associate Broker for Champion Realty, Inc., do hereby acknowledge that I have received, read, understand and agree to abide by the Policies and Procedures stated herein and all subsequent amendments.

Agent Name/Signature

Date

This acknowledgement must be returned to Management upon joining Champion Realty and a copy will be placed in Associate Broker's file.

Received by:

Date:



North Carolina Real Estate Commission
 P.O. Box 17100, Raleigh, N.C. 27619-7100 • Phone (919) 875-3700
 Fax (919) 877-4221 • Web site - www.ncrec.gov

- REQUEST TO ACTIVATE BROKER OR PROVISIONAL BROKER LICENSE
- NOTIFICATION OF PROVISIONAL BROKER SUPERVISION
- NOTIFICATION OF BROKER AFFILIATION
- NOTIFICATION OF SECONDARY BROKER AFFILIATION

After reading the instructions on page two of this form,
 check the appropriate box(es) above and provide all information requested below.

TO BE COMPLETED BY LICENSEE

CERTIFICATION REGARDING LICENSE ACTIVATION:

- Resident:** (Do not send course completion certificates.)
 By signing below I certify that I have completed the continuing education course(s) and any postlicensing education required to place my license on Active Status (check one)
 within the last 30 days. more than 30 days before the date shown below.
- Nonresident:** (Please refer to the enclosed description of options on page 4 of this document).
 Activation is requested under (check one) Option #1 Option #2 Option #3 Option #4
 For Option 1: By signing below I certify that I hold license # _____ in the state of _____ and that it is on Active Status.
(NOT Y OUR NC LICENSE) (NOT NC)
 For Option 2: By signing below I certify that I have completed the continuing education course(s) required to place my license on Active Status (check one)
 within the last 30 days. more than 30 days before the date shown below.
 By signing below I certify that I have completed any postlicensing education required to place my license on Active Status.

TO BE COMPLETED BY BROKERS AND PROVISIONAL BROKERS
 (Provisional Brokers refer to certification description and detailed instructions on page 2 of this form.)

LICENSEE SIGNATURE: _____ DATE: _____
 FULL NAME: _____ LIC. # _____ TYPE: _____
(Type or Print) (B/PB)
 RESIDENCE ADDRESS: _____
(Street Address) (City) (State) (Zip) (County)
 RESIDENCE P.O. BOX (IF ANY) _____
(PO Box) (City) (State) (Zip) (County)
 PHONE: _____ FAX: _____ E-MAIL: _____
 CHECK HERE IF YOUR RESIDENCE ADDRESS IS NEW.

TO BE COMPLETED BY BROKER-IN-CHARGE

SIGNATURE: _____ DATE: _____
 FULL NAME: _____ LICENSE #: _____
(Type or Print) Rodney McNabb 270888
 FIRM NAME: _____ FIRM LICENSE #: _____
Champion Realty, Inc. C23009
 FIRM STREET ADDRESS: _____
7334 Chapel Hill Rd., Ste 102 Raleigh, NC 27607
 BUSINESS MAILING ADDRESS: _____
7334 Chapel Hill Rd., Ste 102
Raleigh NC 27607 Wake
(City) (State) (Zip) (County)
 TYPE OF FIRM: CORPORATION PARTNERSHIP LLC SOLE PROPRIETORSHIP OTHER
 PHONE: (800) 290-4010 FAX: (866) 579-8452 E-MAIL: Rodney@Champion-Realty.net

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) ▶ _____	
	<input type="checkbox"/> Exempt payee	
	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).

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

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.

Purpose of Form

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

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.

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

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

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

- The U.S. owner of a disregarded entity and not the entity,
- The U.S. grantor or other owner of a grantor trust and not the trust, and
- The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

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

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a “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 not subject to backup withholding, give the requester the appropriate completed Form W-8.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 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, 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 the instructions below and the separate Instructions for the Requester of Form W-9.

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

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. 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 will be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a domestic owner, the domestic 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, you must complete an appropriate Form W-8.

Note. Check the appropriate box for the 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 tax classification in the space provided. If you are an LLC that is treated as a partnership for 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. 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 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 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.

Exempt Payee

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

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

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

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

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

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 9
Broker transactions	Exempt payees 1 through 5 and 7 through 13. Also, C corporations.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 5
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 7 ²

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.

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, 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 domestic entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, below, and items 4 and 5 on page 4 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* on page 3.

Signature requirements. Complete the certification as indicated in items 1 through 3, below, and items 4 and 5 on page 4.

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

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

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

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

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

What Name and Number To Give the Requester

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. 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.