

BUYER'S DECLARATION FOR RESIDENCE
EXEMPTION UNDER FIRPTA

Section 1445 of the Internal Revenue Code requires a purchaser of U. S. real estate to deduct and withhold a tax equal to 15% of the purchase price of the property and to file IRS forms 8288 and 8288A to report and transmit the amount withheld to the Internal Revenue Service ("IRS").

You will not be required to withhold the tax if you receive a certification of nonforeign status from the seller, signed under penalties of perjury, stating that the seller is not a foreign person and containing the seller's name, address and taxpayer identification number. If you do not obtain such nonforeign status certification you may still be exempt from the obligation to withhold the 15% tax if you are purchasing a residence for \$300,000 or less. In addition, if the purchase price is greater than \$300,000 but does not exceed \$1,000,000, the withholding rate may be reduced to 10%. A professional tax advisor should be consulted before you sign this Declaration.

U. S. real property is acquired for use as a residence if you or a member of your family has definite plans to reside at the property for at least 50% of the number of days the property is used by any person during each of the first two 12-month periods following the date of transfer. Do not take into account the number of days the property will be vacant in making this determination. If you do not in fact use the property as a residence, you may be liable for the withholding tax.

These exceptions do not apply if the actual transferee is not an individual, even if the property is acquired for an individual. However, these exceptions apply whether or not the transferor is an individual, partnership, trust, corporation, or other transferor.

Buyer's Declaration. I have read the discussion above on the residence exemption to the withholding requirement of IRC § 1445 and I hereby notify all persons (including real estate agents) involved in my purchase of the property described below that I have definite plans to reside at the property for at least half of the number of days that the property is used by any person during the first two 12-month periods following the date of transfer, and [] The purchase price for the property does not exceed \$300,000 and no withholding is required, or [] The purchase price is greater than \$300,000 but does not exceed \$1,000,000 and the amount withheld should be 10% of the purchase price. If the purchase price of the property exceeds \$1,000,000 and no other exemptions to FIRPTA apply, then the amount to be withheld should be 15% of the purchase price.

Property Located at: _____

Purchase Price: \$ _____

Signature: _____ Date: _____

Print Name: _____

Signature: _____ Date: _____

Print Name: _____