

ESCROW NO :
SELLER :
BUYER :
PROPERTY :

RE: Taxpayer Identification Number (“TIN”)

Dear Client:

For the reasons stated below, we request that you provide us with your U. S. taxpayer identification number (“TIN”) immediately in order to ensure a timely closing of the above described transaction.

Need for TIN. The U. S. tax laws require the preparation of several tax forms for filing with the Internal Revenue Service (“IRS”) shortly after the recordation of the deed for the above referenced transaction. In order to facilitate the preparation of these IRS forms and avoid any delays towards a timely closing of this transaction, it is imperative that you provide us with your TIN. More specifically, Title Guaranty Escrow Services, Inc. (“Escrow”) will be required to report this sale to the IRS by filing the Form 1099. In addition, if the Seller is not a U. S. person and does not qualify for one of the exemptions from the withholding tax under Section 1445 of the Internal Revenue Code (“IRC”), Buyer will be required to withhold 10% of the purchase price and remit this amount to the IRS with the Form 8288 and 8288-A. These IRS forms require the TIN of each party to this transaction.

Providing your TIN. We have provided you with an Information Sheet to complete concerning this transaction. Please ensure that you write in your TIN in the appropriate blank. If you are an individual, your TIN will be your social security number. If you are not eligible for a social security number because you are not a U. S. resident or citizen, then your TIN is the “Individual Taxpayer Identification Number” or “ITIN” issued to you by the IRS. If you are an entity, then your TIN is your “Employer Identification Number” or “EIN” issued to the entity by the IRS. If you do not have a TIN, please enter “NONE” in the Information Sheet and continue reading below on the importance of Seller obtaining a TIN as soon as possible.

IMPORTANCE OF SELLER OBTAINING A TIN

Under IRC §1445, Buyer is required to withhold and send to the IRS 10% of the purchase price, together with Forms 8288 and 8288-A, unless Seller can meet one of several exemptions. (See FIRPTA & HARPTA Summary available at www.tghawaii.com.) Regardless of whether Seller qualifies for an exemption to this withholding requirement, Seller will be obligated to file an income tax return with the IRS to report all of Seller's taxable income (including any capital gain from the disposition of the real property described above) and either obtain a refund or pay the balance of any tax due.

Please be informed that the IRS will not process an application Form 8288-B for reduced withholding and IRS will not provide a Seller with the appropriate credit for the 10% amount withheld by Buyer and remitted to the IRS with the Forms 8288 & 8288-A, until such time that the Seller obtains a TIN from the IRS. Therefore, it is to Seller's best interest to provide us with its TIN number or make appropriate arrangements to apply for a TIN. (For further information, see "ITIN Guidance for Foreign Property Buyers/Sellers" available at the IRS website at <http://www.irs.gov/individuals/article/0,,id=120219,00.html> or our website, www.tghawaii.com.)

APPLICATION FOR ITIN USING FORM W-7

Individuals must use IRS Form W-7 to apply for an ITIN. Since an ITIN is for federal tax purposes only, an applicant must normally attach a completed tax return to the Form W-7 unless an exception applies. "EXCEPTION 4" applies whenever the applicant is a party to a disposition of a U.S. real property interest by a foreign person. In "EXCEPTION 4" situations, the applicant attaches to the completed Form W-7, a photocopy of the FIRPTA Forms 8288 and 8288-A (instead of the required tax return).

As stated earlier, the Forms 8288 and 8288-A require the TIN of each party to the transaction. If the foreign Seller or foreign Buyer does not have an ITIN, he or she will be required to obtain an ITIN. Therefore, in order to help a foreign individual obtain an ITIN under "EXCEPTION 4" in the Form W-7, Escrow will provide Seller and/or Buyer at closing with a photocopy of the FIRPTA Forms 8288 and 8288-A [to enable that individual to apply for an ITIN under "EXCEPTION 4" by attaching the photocopy of said FIRPTA forms to his or her original Form W-7 (together with copy of the required identification documents), to send to the IRS at the address given in the W-7 Instructions].