

## **REQUEST FOR BOARD ACTION**

### **HENDERSON COUNTY BOARD OF COMMISSIONERS**

**MEETING DATE:** February 20, 2008

**SUBJECT:** Probation and Parole Lease Agreement

**ATTACHMENTS:**

- 1. Draft Lease Agreement**
- 2. Letter requesting Lease Agreement**

#### **SUMMARY OF REQUEST:**

The North Carolina Department of Corrections is seeking a lease agreement with the County for the Probation and Parole Office. The Department has leased 1543 square feet of office space in the Henderson County Courthouse since 1998, and the current five (5) year lease agreement is due to expire on February 28, 2008. By way of a letter dated December 4, 2007, the Department is requesting a three year lease agreement at the current annual rate of \$12,961.

The proposed lease attached is a one year lease that would be due to expire on February 28, 2009. The annual lease amount would be \$18,516.00 payable in monthly installments of \$1,543.00 and is calculated at \$10.00 per square foot per year.

#### **BOARD ACTION REQUESTED:**

The Board is requested to discuss and provide direction to Staff with respect to the amount and length of the lease. The Board is further requested to authorize the Chairman to enter into a lease with the Department of Correction for the office space located at the Henderson County Courthouse, 200 N. Grove Street, Suite 90.

#### **Suggested Motion:**

*I move the Board authorize the Chairman to enter into a lease with the Department of Correction for the office space located at the Henderson County Courthouse, 200 N. Grove Street, Suite 90.*

**STATE OF NORTH CAROLINA  
COUNTY OF HENDERSON**

**LEASE AGREEMENT**

**THIS LEASE AGREEMENT**, made and entered into this the \_\_\_\_\_ day of \_\_\_\_\_, 2008, by and between **HENDERSON COUNTY**, hereinafter “the Lessor” and the **STATE OF NORTH CAROLINA**, hereinafter “the Lessee”;

**WITNESSETH:**

**WHEREAS** the Department of Corrections, Division of Probation and Parole, has requested and approved the execution of this instrument for the purposes herein specified; and,

**WHEREAS** the execution of this agreement for and on behalf of the State of North Carolina has been duly approved by the Governor and Council of State at a meeting held in the City of Raleigh, North Carolina, on the \_\_\_ day of \_\_\_\_\_, 2008;

**WHEREAS** the parties hereto have mutually agreed to the terms of this Lease Agreement as hereinafter set out;

**NOW THEREFORE** in consideration of the premises and the promises and covenants contained in the terms and conditions hereinafter set forth, Lessor does hereby rent, lease, and demise unto Lessee for and during the term and under the terms and conditions hereinafter set forth those premises or office space, with all rights, privileges, and appurtenances thereto belonging, lying, and being in the City of Hendersonville, County of Henderson, North Carolina, and more particularly described as follows:

BEING approximately 1,543 square feet of office space located at the Henderson County Historic Courthouse, 200 N. Grove Street, Suite 90, Hendersonville, Henderson County, North Carolina

**TERMS AND CONDITIONS**

1. **TERM.** The Lessee shall have said lease premises for a term of one (1) year; commencing on the 1st day of March, 2008 or as soon thereafter as possession of the leased premises is ceded to Lessee, and terminating on the 28th day of February, 2009.
2. **RENTAL AMOUNT.** The Lessee shall pay to the Lessor as rental for said premises the following sums of **EIGHTEEN THOUSAND FIVE HUNDRED AND SIXTEEN (\$18,516) DOLLARS** per annum, which sum shall be paid in equal monthly installments of **ONE THOUSAND FIVE HUNDRED AND FORTY THREE (\$1,543) DOLLARS**.
  - a. Said rental payment shall be payable within fifteen (15) days from receipt of invoice in triplicate.
  - b. If possession of said premises is not ceded to Lessee upon the 1<sup>st</sup> day of March, 2008, then the first payment of rental shall be made within fifteen (15) days after occupancy by Lessee and upon receipt of invoice in triplicate from Lessor, and shall be for a pro rata part of the first month’s rent.
3. **INCLUDED AMENITIES.** The Lessor shall furnish to the Lessee during the lease term at Lessor’s sole cost and to the satisfaction of the Lessee the following:

- a. Heating facilities, air conditioning facilities, hot and cold water facilities, adequate lighting fixtures, electrical sockets, adequate toilet facilities, and proper ventilation;
  - b. Lessor to provide required fire extinguishers and servicing, pest control, and outside trash disposal including provision for the handling of recyclable items such as aluminum cans, cardboard, and paper;
  - c. All utilities except telephone;
  - d. Janitorial and cleaning services and supplies. This shall include maintenance and cleaning of lawns, shrubbery, sidewalks, and parking areas if applicable.
  - e. Elevator service if applicable;
  - f. Parking;
  - g. The Lessor covenants that the leased premises are accessible to persons with disabilities. This shall include access into the premises from the parking area (where applicable), into the premises via any common areas of the building and access to an accessible restroom.
4. MAINTENANCE. During the Lease term, the Lessor shall keep the leased premises in good repair and tenantable condition, to the end that all facilities are kept in an operative condition. Maintenance shall include but is not limited to furnishing and replacing electrical light fixture ballasts, air conditioning and ventilating equipment filter pads, if applicable, and broken glass. In case, Lessor shall, after notice in writing from the Lessee in regard to a specified condition, fail, refuse, or neglect to correct said condition or in the event of an emergency constituting a hazard to the health or safety of the Lessee's employees, property, or invitees, it shall then be lawful for the Lessee, in addition to any other remedy the Lessee may have to make such repair at its own cost and to deduct the amount thereof from the rent that may be or thereafter become due hereunder. The Lessor reserves the right to enter and inspect the leased premises at reasonable times, and to make necessary repairs to the premises.
5. CONDITION OF LEASED PREMISES. It is understood and agreed that Lessor shall, at the beginning of said lease term as hereinabove set forth, have the leased premises in a condition satisfactory to the Lessee, including but not limited to repairs, painting, partitioning, remodeling, plumbing, and electrical wiring suitable for the purposes for which the leased premises will be used by Lessee.
6. ADDITION OF STRUCTURES OR FIXTURES. The Lessee shall have the right during the existence of this lease, with the Lessor's prior consent, to make alterations, attach fixtures, and erect additions, structures, or signs in or upon the leased premises. Such fixtures, additions, structures, or signs so placed in or upon or attached to the leased premises under this lease or any prior lease of which this lease is an extension or renewal shall be and remain the property of the Lessee and may be removed therefrom by the Lessee prior to the termination of this lease or any renewal or extension thereof, or within a reasonable time thereafter.
7. DAMAGE TO PREMISES. If the said premises be destroyed by fire or other casualty, without fault of the Lessee, this lease shall immediately terminate and the rent shall be apportioned to the time of the damage. In case of partial destruction or damage by fire or other casualty without fault of the Lessee, so as to render the premises untenable in whole or in part, there shall be an apportionment of the rent until the damage has been repaired. During such period of repair, Lessee shall have the right to obtain similar office space at

the expense of the Lessee or the Lessee may terminate the lease by giving fifteen (15) days written notice to the Lessor.

8. **DAMAGES.** Lessor shall be liable to Lessee for any loss or damages suffered by Lessee which are a direct result of the failure of Lessor to perform an act required by this lease, and provided that Lessor could reasonably have complied with said requirement.
9. **TERMINATION OF LEASE.** Upon termination of this lease, the Lessee will peaceably surrender the leased premises in as good order and condition as when received, reasonable use, and wear and damage by fire, war, riots, insurrection, public calamity, by the elements, by act of God or by circumstances over which Lessee had no control or for which Lessor is responsible pursuant to this lease, excepted. The Lessee shall have no duty to remove any improvement or fixture place by it on the premises or to restore any portion of the premises altered by it. In the event Lessee elects to remove his improvements or fixtures and such removal causes damage or injury to the demised premises, Lessee will repair only to the extent of any such damage or injury.
10. **NOTICES.** All notices herein provided to be given or which may be given by either party to the other shall be deemed to have been fully given when made in writing and deposited in the United States mail, certified, and postage prepaid and addressed as follows:

LESSOR	LESSEE
c/o County Manager 100 North King Street Hendersonville, NC 28792	c/o DOC Purchasing P.O. Box 29540 Raleigh, NC 27626-28792

Nothing herein contained shall preclude the giving of such notice by personal service.

The address to which notices shall be mailed as aforesaid to either party may be changed by written notice.

11. **ASSIGNMENT.** The Lessee shall not assign this lease without written consent of the Lessor, which shall not be unreasonably withheld but shall have the right to sublet the leased premises.
12. **FREE FROM ADVERSE CLAIMS.** The Lessor agrees that the Lessee upon keeping and performing the covenants and agreements herein contained shall at all times during the existence of this lease peaceably and quietly have, hold, and enjoy the leased premises free from the adverse claims of any person.
13. **WAIVER, MODIFICATION, CANCELLATION.** The failure of either party to insist in any instance upon strict performance of any of the terms and conditions herein set forth shall not be construed as a waiver of the same in any other instance. No modification of any provision hereof and no cancellation or surrender hereof shall be valid unless in writing and signed and agreed to by both parties.
14. **HOLD-OVER.** Any holding over after the expiration of the said term or any extension thereof, shall be construed to be a tenancy from month to month, and shall otherwise be on the terms and conditions herein specified, so far as applicable; however, either party shall give not less than sixty (60) days written notice to terminate the tenancy.

15. RELIANCE ON FUNDING. The parties to this lease agree and understand that the continuation of this Lease Agreement for the term set forth herein or any extension or renewal thereof, is dependent upon and subject to the appropriation, allocation, or availability of funds for this purpose to the agency of the Lessee responsible for payment of said rental. The parties to this lease also agree that in the event the agency of the Lessee or that body responsible for the appropriation of said funds, in its sole discretion, determines in view of its total local office operations that available funding for the payments of rents is insufficient to continue the operation of its local office on the premises leased herein, it may choose to terminate the lease agreement set forth herein by giving Lessor written notice of said termination and the lease agreement shall terminate immediately without any further liability to Lessee.

In witness hereof, all parties have caused this Lease Agreement to be duly approved, and to be executed in duplicate, each to have the force and effect of an original.

**HENDERSON COUNTY**

**BY:** \_\_\_\_\_  
Bill Moyer, Chairman  
Henderson County Board of Commissioners

Attest: (County Seal)

\_\_\_\_\_  
Elizabeth W. Corn, Clerk to the Board

(Corporate Seal)

**STATE OF NORTH CAROLINA**

**BY:** \_\_\_\_\_  
Governor

Attest:

\_\_\_\_\_  
Secretary of State

APPROVED AS TO FORM:

ROY COOPER  
Attorney General

\_\_\_\_\_  
Assistant Attorney General

\*\*\*\*\*

STATE OF NORTH CAROLINA  
COUNTY OF HENDERSON COUNTY

I, \_\_\_\_\_, a Notary Public for said County and State, do hereby certify that Elizabeth Corn personally appeared before me this day and acknowledged that she is the Clerk for the Board of Commissioners.

Witness my hand and official seal, this the \_\_\_\_\_ of \_\_\_\_\_, 2008.

(Official Seal)

\_\_\_\_\_

Notary Public

My Commission Expires \_\_\_\_\_

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STATE OF NORTH CAROLINA  
COUNTY OF HENDERSON COUNTY

I, \_\_\_\_\_, a Notary Public for said County and State, do hereby certify that \_\_\_\_\_ personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal, this the \_\_\_\_\_ of \_\_\_\_\_, 2008.

(Official Seal)

\_\_\_\_\_

Notary Public

My Commission Expires \_\_\_\_\_



## North Carolina Department of Correction

### Division of Departmental Purchasing & Services

2020 Yonkers Road • 4227 MSC • Raleigh, NC 27699-4227

Phone: (919) 716-3250 • Fax: (919) 716-3983 or (919) 716-3984

Michael F. Easley  
Governor

Theodis Beck  
Secretary

December 4, 2007

Steve Wyatt, County Manager  
County of Henderson  
100 N. King Street  
Hendersonville, NC 28792

**RE:** Lease Agreement, Henderson County – Henderson County Courthouse, Suite 90.

Dear Mr. Wyatt,

The Department of Correction is seeking another three year lease agreement with the County for the Probation and Parole Office located at the above referenced. The current lease will terminate on 02/28/2008. Boyce Fortner, Judicial District Manager has indicated that the offices are in need of no repair and or maintenance and expresses a favorable relationship between the County and the Probation Office thus recommends said lease. The Department appreciates the office space and looks forward to continuing to work with you in the years to come.

Please find enclosed form PO-28 and form W-9. Upon your review and approval, please complete said and fax back to me @ 919-716-3984.

Should you have any questions or concerns, please feel free to contact me at (919) 716-3279. Thank you for your assistance in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Ron Moore".

Ron Moore  
Real Property Agent

Enclosures (3)



THE STATE OF NORTH CAROLINA SHALL NOT BE RESPONSIBLE FOR ANY EXPENSES INCURRED BY THE PROPOSER IN THE PREPARATION OF THIS PROPOSAL

FAXED PROPOSALS ARE NOT ACCEPTABLE

**PROPOSAL TO LEASE TO THE STATE OF NORTH CAROLINA - PO-28**

1. NAME OF LESSOR: County of Henderson  
 2. LESSOR'S AGENT: Steve Wyatt, County Manager

INDICATE EACH LESSOR'S BUSINESS CLASSIFICATION AS APPLICABLE:  
 A. PROPRIETORSHIP  B. PARTNERSHIP  C. CORPORATION  D. GOVERNMENTAL  E. NON-PROFIT  
 F. (HUB) HISTORICALLY UNDERUTILIZED BUSINESSES  G. OTHER:

MAILING ADDRESS: 100 N. King Street  
 CITY: Hendersonville ZIP: 28792  
 PHONE: #828-697-4821 FAX#: 828-698-8014  
 E-MAIL:

3. SPACE LOCATION: (including building name, floors involved & suite or room numbers unless entire floor)  
 Henderson County Courthouse Suite 90  
 STREET ADDRESS: 200 N. Grove Street, Suite 90, Hendersonville, Henderson County, NC  
 CITY: COUNTY: ZIP CODE:

4. ATTACH FLOOR PLAN TO SCALE SHOWING THE SIZE AND LAYOUT OF SPACE OFFERED)

5. GROSS SQUARE FOOTAGE BEFORE NET USAGE COMPUTED  
 A. OFFICE +/- 1334  
 B. WAREHOUSE  
 C. OTHER

6. All proposals must be submitted on the basis of net square footage as defined on reverse side of this sheet and in Specifications (PO-27)

A. DESIRED PROPOSAL (See PO-27 Items VI and XII-A)

TYPE OF SPACE	TOTAL NET SQ. FT.	ANNUAL RENTAL	ANNUAL RENT PER SQ. FT.	UTILITIES	JANITORIAL SERVICES	REQUIRED CLIENTELE PARKING SPACES
OFFICE	1334	\$12,961 current		YES	YES	
WAREHOUSE						
OTHER						
TOTALS			XXXX	XXXX	XXXX	XXXX

Lessor will provide ( ) employee parking spaces in above proposal at no additional charge to the State. (See explanation in PO-27 Item VI - Parking)

Comments:

**ERRORS BY PROPOSERS IN CALCULATING NET SQUARE FOOTAGE WILL REDUCE THE ANNUAL RENTAL WITHOUT CHANGING THE PROPOSED RATE PER SQUARE FOOT IN THE PROPOSAL**

B. OPTIONAL ALTERNATE PROPOSAL NO. 1 (See PO-27 ITEMS VI AND XII-B)

(FOR PROPOSALS NOT INCLUDING UTILITIES AND/OR JANITORIAL SERVICES)

TYPE OF SPACE	TOTAL NET SQ. FT.	ANNUAL RENTAL	ANNUAL RENT PER SQ. FT.	UTILITIES	JANITORIAL SERVICES
OFFICE					
WAREHOUSE					
OTHER					
TOTALS			XXXX	XXXX	XXXX

Lessor will provide ( ) clientele parking spaces and ( ) employee parking spaces

Comments:

7. LEASE TERM: 3 YEARS BEGINNING DATE: 03/01/2008

8. RENEWAL OPTIONS, IF ANY: TERMS AND CONDITIONS:

NOTE: RATES THAT INCLUDE INDETERMINABLE PERCENTAGE INCREASES, SUCH AS UNCAPPED CPI INCREASES ETC., ARE NOT ACCEPTABLE DURING EITHER THE INITIAL TERM OR ANY RENEWAL PERIOD(S)

The State of North Carolina supports the use of products and materials having recycled content in renovation and construction. Will the proposed building provide facilities for handling materials to be recycled such as waste paper and cardboard?  YES  NO

THE PROPOSED BUILDING MUST BE COMPLETELY FREE OF ANY HAZARDOUS ASBESTOS OR HAZARDOUS LEAD PAINT THROUGHOUT THE STATE'S TENANCY.

Is the proposed building free of hazardous asbestos? YES  NO

Is the proposed building free of hazardous lead paint? YES  NO

DEPARTMENT: Correction DIVISION: DCC

CITY: SQUARE FEET: AGENT:

CUT-OFF FOR RECEIVING PROPOSALS IS 4:00 PM DATE:



<b>LESSOR: Henderson County</b>	
9. ADDITIONAL INFORMATION (Including any deviations from furnished specifications)	
10. Does this space comply with local and State Building safety and zoning codes specifically including OSHA provisions for the handicapped, and applicable sections of the State Building Code Volumes I-V?	
<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
<input type="checkbox"/> PARTIALLY	
EXPLAIN IF OTHER THAN "YES" IS CHECKED ABOVE:	
11. This proposal is made in compliance with the specifications furnished by the Department of Correction. I realize that the State reserves the right to reject this proposal for any reason it deems warranted. This proposal is good until <u>10/01/08</u> . I ACKNOWLEDGE AND FURTHER AFFIRM THAT I am aware of and familiar with the Americans with Disabilities Act of 1990 (42 United States Code, Section 12101 et seq.) and if the above firm is awarded the contract, it will comply with the provisions of said Act.	
I AM AWARE THAT THERE WILL BE NO NEGOTIATION OF THE PER SQUARE FOOT PRICE THAT I HAVE PRESENTED IN THIS PROPOSAL. I am further aware that annual per square foot rental rate(s) which include indeterminable percentage increase(s) such as uncapped Consumer Price Index Increases etc., are not acceptable during either the initial term or any renewal period(s):	
<b>*** (HUB) HISTORICALLY UNDERUTILIZED BUSINESSES (HUB) CONSIST OF MINORITY, WOMEN AND DISABLED BUSINESS FIRMS THAT ARE AT LEAST FIFTY-ONE PERCENT OWNED AND OPERATED BY AN INDIVIDUAL(S) OF THE AFOREMENTIONED CATEGORIES. ALSO INCLUDED IN THIS CATEGORY ARE DISABLED BUSINESS ENTERPRISES AND NON-PROFIT WORK CENTERS FOR THE BLIND AND SEVERELY DISABLED.</b>	
Printed Name of Lessor _____	
Signature of Lessor _____	Date _____
<b>MAILING / DELIVERY INSTRUCTIONS</b>	
To be considered this proposal must be received by the State Property Office prior to 4:00 PM on the cutoff. No faxed proposals will be accepted. PHONE: 919-807-4650	
<b>Delivery Address if Delivered in Person:</b> Director, State Property Office, Room 4055, Administration Building, 116 West Jones Street, Raleigh, North Carolina	
<b>Mailing Address if Sent Through Mail Service:</b> State Property Office, 1321 Mail Service Center, Raleigh, North Carolina 27699-1321	
<b>ENVELOPE SHOULD BE MARKED:</b>	
(a) Lease proposal Enclosed	
(b) Cutoff Date for Receiving Proposals	
(c) Name of State Agency involved.	
<b>NOTE:</b> Net square footage is a term meaning the area to be leased for occupancy by State Personnel and/or equipment. To determine net square footage:	
1. Compute the inside area of the space by measuring from the normal inside finish of exterior walls or the roomside finish of fixed corridor and shaft walls, or the center of tenant separating partitions.	
2. Deduct from the Inside area the following:	
*a. Toilets and lounges	
*b. Entrance and elevator lobbies	
*c. Corridors	
*d. Stairwells	
*e. Elevators and escalator shafts	
*f. Building equipment and service areas	
*g. Stacks, shafts, and interior columns	
*h. Other space not usable for State purposes	
*Deduct if space is not for exclusive use by the State. Multiple State leases require a, b, and c to be deducted. The State Property Office may make adjustments for areas deemed excessive for State use.	
DEPARTMENT:	DIVISION:
CITY:	SQUARE FEET:      AGENT:
CUT-OFF FOR RECEIVING PROPOSALS IS 4:00 PM      DATE:	
FORM (PO-28) <span style="float: right;">(2005)</span>	

Form **W-9**  
(Rev. December 1996)  
Department of the Treasury  
Internal Revenue Service

## Request for Taxpayer Identification Number and Certification

Give form to the  
requester. Do NOT  
send to the IRS.

Please print or type

Name (If a joint account or you changed your name, see Specific Instructions on page 2.)

Business name, if different from above. (See Specific Instructions on page 2.)

Check appropriate box:  Individual/Sole proprietor  Corporation  Partnership  Other ▶

Address (number, street, and apt. or suite no.)

Requester's name and address (optional)

City, state, and ZIP code

### Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. For individuals, this is your social security number (SSN). However, if you are a resident alien OR a sole proprietor, see the instructions on page 2. 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 2.

Social security number								

OR

Employer identification number								

**Note:** If the account is in more than one name, see the chart on page 2 for guidelines on whose number to enter.

List account number(s) here (optional)

### Part II For Payees Exempt From Backup Withholding (See the Instructions on page 2.)

### Part III Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding.

**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 2.)

Sign Here

Signature ▶

Date ▶

**Purpose of Form.**—A person who is required to file an information return with the IRS must get 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 to give your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify the TIN you are giving is correct (or you are waiting for a number to be issued).
- Certify you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are an exempt payee.

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

**What Is Backup Withholding?**—Persons making certain payments to you must withhold and pay to the IRS 31% of such payments under certain conditions. This is called "backup withholding." Payments that may be subject to backup withholding

include 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.

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 not be subject to backup withholding. Payments you receive will be subject to backup withholding if:

- You do not furnish your TIN to the requester, or
- The IRS tells the requester that you furnished an incorrect TIN, or
- 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
- You do not certify to the requester that you are not subject to backup withholding under 3 above (for reportable interest and dividend accounts opened after 1983 only), or

5. You do not certify your TIN when required. See the Part III Instructions on page 2 for details.

Certain payees and payments are exempt from backup withholding. See the Part II instructions and the separate **Instructions for the Requester of Form W-9**.

### 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.