

1. Disclosure

1.1 DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP

(If checked) This form is being provided in connection with a transaction for a leasehold interest exceeding one year as per Civil Code section 2079.13(j), (k) and (l).

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction.

SELLER'S/LANDLORD'S AGENT

A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or a subagent of that agent has the following affirmative obligations:

To the Seller: A Fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Seller.

To the Buyer and the Seller:

1. Diligent exercise of reasonable skill and care in performance of the agent's duties.
2. A duty of honest and fair dealing and good faith.
3. A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties. An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

BUYER'S/TENANT'S AGENT

A Buyer's agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations:

To the Buyer: A fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Buyer.

To the Buyer and the Seller:

1. Diligent exercise of reasonable skill and care in performance of the agent's duties.
2. A duty of honest and fair dealing and good faith.
3. A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties. An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

AGENT REPRESENTING BOTH SELLER/LANDLORD AND BUYER/TENANT

A real estate agent, either acting directly or through one or more salespersons and broker associates, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer.

In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:

1. A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer.
2. Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, a dual agent may not, without the express permission of the respective party, disclose to the other party confidential information, including, but not limited to, facts relating to either the Buyer's or Seller's financial position, motivations, bargaining position, or other personal information that may impact price, including the Seller's willingness to accept a price less than the listing price or the Buyer's willingness to pay a price greater than the price offered.

SELLER/LANDLORD AND BUYER/TENANT RESPONSIBILITIES

Either the purchase agreement or a separate document will contain a confirmation of which agent is representing you and whether that agent is representing you exclusively in the transaction or acting as dual agent. Please pay attention to that confirmation to make sure it accurately reflects your understanding of your agent's role.

The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real

estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

If you are a Buyer, you have the duty to exercise reasonable care to protect yourself, including as to those facts about the property which are known to you or within your diligent attention and observation.

Both Sellers and Buyers should strongly consider obtaining tax advice from a competent professional because the federal and state tax consequences of a transaction can be complex and subject to change.

Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction. This disclosure form includes the provisions of Sections 2079.13 to 2079.24, inclusive, of the Civil Code set forth below.

By initialing below, you acknowledge and agree to the terms in Section 1.

X _____
Initial Here

2. Property Management Agreement

2.1 STANDARD PROGRAM AGREEMENT

<<Owner Name(s)>> ("Owner"), and North County Property Group ("Broker"), agree as follows:

1. **APPOINTMENT OF BROKER:** Owner hereby appoints and grants Broker (hereinafter "Property Manager") the exclusive right to rent, lease, operate and manage the property(ies) known as <<Property Address>>, and any additional property that may later be added to this Agreement ("Property"), upon the terms below, the period beginning (date) <<Management Start Date>> and ending (date) <<Agreement Termination Date>>, at 11:59 PM. (if checked:) Either party may terminate this Property Management Agreement ("Agreement") on at least 30 days written notice 1 months after the original commencement date of this Agreement. After the exclusive term expires, this Agreement shall continue as a non-exclusive agreement that either party may terminate by giving at least 30 days written notice to the other. Stipulations apply, please see details in Section 2.1, item 8.4.4

2. **PROPERTY MANAGER ACCEPTANCE:** Property Manager accepts the appointment and grant, and agrees to:

- A. Use due diligence in the performance of this Agreement.
- B. Furnish the services of its firm for the rental, leasing, operation and management of the Property.

3. **AUTHORITY AND POWERS:** Owner grants Property Manager the authority and power, at Owner's expense, to:

- 1. **ADVERTISING:** Display FOR RENT/LEASE and similar signs on the Property. Advertise the availability of the Property, or any part thereof, for rental or lease in the Multiple Listing Service and other online media.
- 2. **RENTAL; LEASING:** Initiate, sign, renew, modify or cancel rental agreements and leases for the Property, or any part thereof; collect and give receipts for rents, other fees, charges and security deposits. Any lease or rental agreement executed by Property Manager for Owner shall not exceed 1 year(s) or shall be month-to-month. Unless Owner authorizes a lower amount, rent shall be: at market rate; OR a minimum of \$Minimum Rental Rate or NA per month.
- 3. **TENANCY TERMINATION:** Sign and serve in Owner's name notices that are required or appropriate; commence and prosecute actions to evict tenants; recover possession of the Property in Owner's name; recover rents and other sums due; and, when expedient, settle, compromise and release claims, actions and suits and/or reinstate tenancies. If Landlord permits Tenant to pay rent by direct deposit such as wire or electronic transfer or other online method, Landlord should discuss with a Landlord-Tenant attorney the implications of doing so in the event Tenant defaults and an eviction becomes necessary.
- 4. **REPAIR; MAINTENANCE:** Make, cause to be made, and/or supervise repairs, improvements, alterations and decorations to the Property; purchase, and pay bills for, services and supplies. Owner agrees that state and local water use restrictions will supersede any obligation by Property Manager or any Tenant to water/maintain gardens, landscaping trees or shrubs. Property Manager shall obtain prior approval of Owner for all expenditures over \$ 500.00 for any one item. Prior approval shall not be required for monthly or recurring operating charges or, if in Property Manager's opinion, emergency expenditures over the maximum are needed to protect the Property or other property(ies) from damage, prevent injury to persons, avoid suspension of necessary services, avoid penalties or fines, or suspension of services to tenants required by a lease or rental agreement or by law, including, but not limited to, maintaining the Property in a condition fit for human habitation as required by Civil Code §§ 1941 and 1941.1 and Health and Safety Code §§ 17920.3 and 17920.10.
- 5. **REPORTS, NOTICES AND SIGNS:** Comply with federal, state or local law requiring delivery of reports or notices and/or posting of signs or notices.

6. **CONTRACTS; SERVICES:** Contract, hire, supervise and/or discharge firms and persons, including utilities, required for the operation and maintenance of the Property. Property Manager may perform any of Property Manager's duties through attorneys, agents, employees, or independent contractors and, except for persons working in Property Manager's firm, shall not be responsible for their acts, omissions, defaults, negligence and/or costs of same.
 7. **EXPENSE PAYMENTS:** Pay expenses and costs for the Property from Owner's funds held by Property Manager, unless otherwise directed by Owner. Expenses and costs may include, but are not limited to, property management compensation, fees and charges, expenses for goods and services, property taxes and other taxes, Owner's Association dues, assessments, loan payments and insurance premiums.
 8. **SECURITY DEPOSITS:** Receive security deposits from tenants, which deposits shall be given to Owner, or placed in Property Manager's trust account and, if held in Property Manager's trust account, pay from Owner's funds all interest on tenants' security deposits if required by local law or ordinance. Owner shall be responsible to tenants for return of security deposits and all interest due on security deposits held by Owner.
 9. **TRUST FUNDS:** Deposit all receipts collected for Owner, less any sums properly deducted or disbursed, in a financial institution whose deposits are insured by an agency of the United States government. The funds shall be held in a trust account separate from Property Manager's personal accounts. Property Manager shall not be liable in event of bankruptcy or failure of a financial institution.
 10. **RESERVES:** Maintain a reserve in Property Manager's trust account of \$ 500.00.
 11. **DISBURSEMENTS:** Disburse Owner's funds held in Property Manager's trust account in the following order: (1) Compensation due Property Manager under Paragraph 8. (2) All other operating expenses, costs and disbursements payable from Owner's funds held by Property Manager. (3) Reserves and security deposits held by Property Manager. (4) Balance to Owner.
 12. **OWNER DISTRIBUTION:** Remit funds, if any are available, monthly to Owner.
 13. **OWNER STATEMENTS:** Render monthly (see section 8.4.3) and year end statements of receipts, expenses and charges for each Property.
 14. **PROPERTY MANAGER FUNDS:** Property Manager shall not advance Property Manager's own funds in connection with the Property or this Agreement.
 15. **KEYSAFE/LOCKBOX:** (If checked) Owner authorizes the use of a keysafe/lockbox to allow entry into the Property and agrees to sign a keysafe/ lockbox addendum.
4. **OWNER RESPONSIBILITIES:** Owner shall:
1. Provide all documentation, records and disclosures as required by law or required by Property Manager to manage and operate the Property, and immediately notify Property Manager if Owner becomes aware of any change in such documentation, records or disclosures, or any matter affecting the habitability of the Property.
 2. Indemnify, defend and hold harmless Property Manager, and all persons in Property Manager's firm, as permitted by law, from all costs, expenses, suits, liabilities, damages, attorney fees and claims of every type, including but not limited to those arising out of injury or death of any person, or damage to any real or personal property of any person, including Owner, (i) for any repairs performed by Owner or by others hired directly by Owner; (ii) for those acts relating to the management, leasing, rental, security deposits, or operation of the Property by Property Manager, or any person in Property Manager's firm, or the performance or exercise of any of the duties, powers or authorities granted to Property Manager; or (iii) from any incorrect or incomplete information supplied by Owner, or from any material facts that Owner knows but fails to disclose including dangerous or hidden conditions on the Premises.
 3. Maintain the Property in a condition fit for human habitation as required by Civil Code §§ 1941 and 1941.1 and Health and Safety Code §§ 17920.3 and 17920.10 and other applicable law.
 4. Pay all interest on tenants' security deposits if required by local law or ordinance.
 5. Carry and pay for: (i) public and premises liability insurance in an amount of no less than \$1,000,000; and (ii) property damage and worker's compensation insurance adequate to protect the interests of Owner and Property Manager. Property Manager shall be, and Owner authorizes Property Manager to be, named as an additional insured party on Owner's policies.
 6. Pay any late charges, penalties and/or interest imposed by lenders or other parties for failure to make payment to those parties, if the failure is due to insufficient funds in Property Manager's trust account available for such payment.
 7. Immediately replace any funds required if there are insufficient funds in Property Manager's trust account to cover Owner's responsibilities.
5. **OWNER REPRESENTATIONS:**
1. Owner represents that, unless otherwise specified in writing, Owner is unaware of: (i) any recorded Notice of Default affecting the Property; (ii) any delinquent amounts due under any loan secured by, or other obligation affecting, the Property; (iii) any bankruptcy, insolvency or similar proceeding affecting the Property; (iv) any litigation, arbitration, administrative action, government investigation, or other pending or threatened action that does or may affect the Property or Owners ability to transfer it; and (v) any current, pending or proposed special assessments affecting the Property. Owner shall promptly notify Property Manager in writing if Owner becomes aware of any of these items during the term of this Agreement.
 2. Owner represents that any and all residential rental unit(s) on the Property contain all permits and government approvals needed to lawfully lease or rent any such unit as a dwelling.
6. **TAX WITHHOLDING:**
1. If Owner is not a California Resident or a corporation or LLC qualified to conduct business in California, Owner authorizes Property

Manager to withhold and transmit to California Franchise Tax Board ("FTB") 7% of the GROSS payments to Owner that exceed \$1,500 received by Property Manager, unless Owner completes and transmits to Property Manager FTB form 589, nonresident reduced withholding request, FTB form 588, nonresident withholding waiver, or FTB form 590, withholding exemption certificate.

2. If Owner is a nonresident alien individual, a foreign entity, or other non-U.S. person, (Foreign Investor) Owner authorizes Property Manager to withhold and transmit to the Internal Revenue Service (IRS) 30% of the GROSS rental receipts unless Owner elects to treat rental income as "effectively connected income" by submitting to Property Manager a fully completed IRS form W-8ECI, Certificate of Foreign Person's Claim for Exemption From Withholding on Income Effectively Connected With the Conduct of a Trade of Business in the United States. A Foreign investor Owner will need to obtain a U.S. tax payer identification number and file a declaration with the IRS regarding effectively connected income in order to complete the form given to Property Manager. Further, the Foreign Investor Owner will be responsible for making any necessary estimated tax payments.

7. OWNER DISCLOSURE:

1. LEAD-BASED PAINT:

1. The Property was constructed on or after January 1, 1978. OR
2. The Property was constructed prior to 1978.
 1. Owner has no knowledge of lead-based paint or lead-based paint hazards in the housing except: Lead based paint knowledge list or NA
 2. Owner has no reports or records pertaining to lead-based paint or lead-based paint hazards in the housing, except the following, which Owner shall provide Property Manager: Lead based paint reports list or NA

2. **POOL/SPA DRAIN:** Any pool or spa on the property does (or does not) have an approved anti-entrapment drain cover, device or system.
3. **MOLD:** The property was treated in Mold month treatment or NA (month) Mold year treatment or NA (year) for elevated levels of mold which was previously detected in the following location(s):Mold location treatment or NA Owner has no reports or records pertaining to elevated levels of mold in the Property, exceptMold reports or NA Owner has no knowledge of elevated levels of mold currently in the Property, except: Mold knowledge or NA
4. **ASBESTOS:** Asbestos was removed from the Property InAbestos month treatment or NA(month)Abestos year treatment or NA (year) in the following location(s): Abestos location treatment or NA. Owner has no reports or records pertaining to asbestos in the Property, except: Abestos report or NA Owner has no knowledge of asbestos currently in the Property, except: Abestos knowledge or NA
5. **PEST CONTROL:** Owner has entered into a contract for periodic pest control treatment of the Property. Owner, within 3 days, will provide Property Manager a copy of the notice originally given to owner by the pest control company.
6. **METH CONTAMINATION:** Owner has received an order from a health official prohibiting occupancy of any part of the Property because of methamphetamine contamination. Owner, within 3 days, will provide Property Manager a copy of the order. Contamination specified in the order has or has not been remedied.
7. **BED BUG DISCLOSURE:** Owner acknowledges that beginning July 1, 2017, for new tenants and by January 1, 2018, all tenants must be provided a notice regarding bed bugs. Owner further acknowledges that it is unlawful to show, rent, or lease a property if there is a known current bed bug infestation. Owner knows of a current infestation.
8. **WATER SUBMETERS:** The Property contains two or more units served by a single water meter and Owner has installed a submeter to measure and charge each individual unit for water usage. Effective January 1, 2018, Owner agrees to comply with Civil Code §§ 1954.201 through 1954.219 and authorizes Property Manager to provide the required Water Submeter Addendum.
9. **CARBON MONOXIDE DETECTORS:** The Premises has a fossil fuel burning heater, appliance, or an attached garage. Landlord has has not installed carbon monoxide detector devices in accordance with legal requirements.
10. **SMOKE ALARMS:** Landlord has has not installed smoke alarm(s) in each bedroom, in the hallway outside of each bedroom and on each floor whether or not a bedroom is located on the floor in compliance with legal requirements
11. **WATER CONSERVING PLUMBING FIXTURES:** The Premises was built prior to January 1, 1994. The Owner has has not installed water conserving plumbing fixtures (toilets, shower heads, interior faucets, urinals) as per Civil Code section 1101.1 et seq effective as of 1/1/2017 for single family residential properties and 1/1/2019 for multifamily residential properties.
12. **WATER HEATERS:** Water heater has as not been braced, anchored or strapped to resist falling or horizontal displacement due to earthquake motion.
13. **PROP. 65 WARNING NOTICE:** Landlord has has not posted a proposition 65 warning notice on the Property.

8. COMPENSATION:

1. Owner agrees to pay Property Manager fees in the amounts indicated below for:
 1. Management: 8% of rent beginning with the 2nd month of tenancy (Standard Program) with minimum PM fee \$160/month.
 2. Renting or Leasing: 25% of one month's rent for the first month or first prorated period of tenancy. Flat \$150 on Extensions/ Renewals
 3. Evictions: Additional if required per separate quote and owner's approval.
 4. Preparing Property for rental or lease: 20% margin on advance improvements/repairs NCPG manages to make home "rent ready".
 5. Project Management of Capital Improvements (large projects typically > \$2,000) and Remediation/ Abatement Incidents:

10% fee of the overall cost of the improvement project.

6. Managing Property during extended periods of vacancy: No charge.
 7. An overhead and service fee added to the cost of all work performed by, or at the direction of, Property Manager: \$25 maintenance facilitation fee per maintenance/repair incident.
 8. \$250 startup fee if property is being received by Property Manager with a tenant-in-possession or a transfer from another property management company.
 9. Other: \$50/hour for work performed considered outside of "scope of services".
 10. Annual Administrative Fee: \$129.00 charged February each year.
2. This Agreement does not include providing on-site management services, property sales, refinancing, preparing Property for sale or refinancing, modernization, fire or major damage restoration, rehabilitation, obtaining income tax, accounting or legal advice, representation before public agencies, advising on proposed new construction (capital improvements and remediation/restoration projects), debt collection, counseling, attending Owner's Association meetings or other legal matters regarding the property including renter disputes. If Owner requests Property Manager to perform services not included in this Agreement, a fee shall be agreed upon before these services are performed unless otherwise provided under the fees structure outlined in section 8.1. above.
 3. Property Manager may divide compensation, fees and charges due under this Agreement in any manner acceptable to Property Manager.
 4. Owners further agrees that:
 1. Property Manager may receive and keep fees and charges from tenants for: (i) requesting an assignment of lease or sublease of the Property; (ii) processing credit applications; (iii) any returned checks and/or late payments; and (iv) any other services that are not in conflict with this Agreement.
 2. Property Manager may perform any of Property Manager's duties, and obtain necessary products and services, through affiliated companies or organizations in which Property Manager may own an interest. Property Manager may receive fees, commissions and/or profits from these affiliated companies or organizations. Property Manager has an ownership interest in the following affiliated companies or organizations: MaintenanceSync, Synchronized Cleaning, Weichert Realtors - North County. Property Manager shall disclose to Owner any other such relationships as they occur. Property Manager shall not receive any fees, commissions or profits from unaffiliated companies or organizations in the performance of this Agreement, without prior disclosure to Owner.
 3. Broker will make best efforts to send monthly owner statements & disbursements no later than the 10th day of each month.
 4. If the Property Management Agreement is terminated by Owner on 30-day notice after a Residential Lease Agreement has been signed with a Tenant, but within 4 months of the Tenant move-in date, compensation due and payable to Broker from Owner shall be no less than, cumulatively, the start-up and leasing fees which would have been due under the "Lease Only Program" (\$250 start-up fee plus 50% of one month's rent)". Details on the Lease Only Program fees are defined and outlined on the Broker's website at: www.ncpropertygroup.com/pricing.
9. **AGENCY RELATIONSHIPS:** Property Manager may act, and Owner hereby consents to Property Manager acting, as dual agent for Owner and tenant(s) in any resulting transaction. If the Property includes residential property with one-to-four dwelling units and this Agreement permits a tenancy in excess of one year, Owner acknowledges receipt of the "Disclosure Regarding Agency Relationships". Owner understands that Property Manager may have or obtain property management agreements on other property, and that potential tenants may consider, make offers on, or lease through Property Manager, property the same as or similar to Owner's Property. Owner consents to Property Manager's representation of other owners' properties before, during and after the expiration of this Agreement.
10. **NOTICES:** Any written notice to Owner or Property Manager required under this Agreement shall be served by sending such notice by first class mail or other agreed-to delivery method to that party at the address below, or at any different address the parties may later designate for this purpose. Notice shall be deemed received three (3) calendar days after deposit into the United States mail.
11. **DISPUTE RESOLUTION:**
1. **MEDIATION:** Owner and Property Manager agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction before resorting to arbitration or court action. Mediation fees, if any, shall be divided equally among the parties involved. If, for any dispute or claim to which this paragraph applies, any party (i) commences an action without first attempting to resolve the matter through mediation, or (ii) before commencement of an action, refuses to mediate after a request has been made, then that party shall not be entitled to recover attorney fees, even if they would otherwise be available to that party in any such action. Exclusions from this mediation agreement are specified in paragraph 11.2.
 2. **ADDITIONAL MEDIATION TERMS:** The following matters shall be excluded from mediation and arbitration: (i) a judicial or nonjudicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in Civil Code §2985; (ii) an unlawful detainer action; (iii) the filing or enforcement of a mechanic's lien; and (iv) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court. The filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a waiver or violation of the mediation provisions.
 3. **ADVISORY:** If Owner and Property Manager desire to resolve disputes arising between them rather than court, they can document their agreement by attaching and signing an Arbitration Agreement.
12. **EQUAL HOUSING OPPORTUNITY:** The Property is offered in compliance with federal, state and local anti-discrimination laws.
13. **ATTORNEY FEES:** In any action, proceeding or arbitration between Owner and Property Manager to enforce the compensation

provisions of this Agreement, the prevailing Owner or Property Manager shall be entitled to reasonable attorney fees and costs from the non-prevailing Owner or Property Manager, except as provided in paragraph 11.1.

14. **ADDITIONAL TERMS:** Keysafe/Lockbox Addendum Lead-Based Paint and Lead-Based Paint Hazards Disclosure. Attachments included: Addendum 1; Document "Frequently Asked Questions"; Document "W9".

15. **TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES:** Time is of the essence. All understandings between the parties are incorporated in this Agreement. Its terms are intended by the parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed except in writing. This Agreement and any supplement, addendum or modification, including any copy, may be signed in two or more counterparts, all of which shall constitute one and the same writing.

Owner warrants that Owner is the owner of the Property or has the authority to execute this Agreement. Owner acknowledges Owner has read, understands, accepts and has received a copy of the Agreement.

REPRESENTATIVE CAPACITY: This Property Management Agreement is being signed for Owner by an individual acting in a Representative Capacity as specified in the attached Representative Capacity Signature Disclosure. Wherever the signature or initials of the representative identified in the RCSD appear on this Agreement or any related documents, it shall be deemed to be in a representative capacity for the entity described and not in an individual capacity, unless otherwise indicated. Owner (i) represents that the entity for which the individual is signing already exists and (ii) shall Deliver to Broker, within 3 Days After Execution of this Agreement, evidence of authority to act (such as but not limited to: applicable trust document, or portion thereof, letters testamentary, court order, power of attorney, corporate resolution, or formation documents of the business entity).

By initialing below, you acknowledge and agree to the terms in Section 2.

X _____
Initial Here

3. Sign and Accept

3.1 ACCEPTANCE OF PROPERTY MANAGEMENT AGREEMENT

Owner warrants that Owner is the owner of the Property or has the authority to execute this Agreement. Owner acknowledges Owner has read, understands, accepts and has received a copy of the Agreement.

X _____
Owner

Date Signed

X _____
Agent/Broker

Date Signed

1. Standard Program Terms and Conditions

1.1 TERMS AND CONDITIONS

The following terms and conditions are hereby incorporated and made a part of the Property Management Agreement dated <<Management Start Date>>, on property known as <<Property Address>>, in which <<Owner Name(s)>> is referred to as ("Owner") and North County Property Group is referred to as ("Broker").

1. The Owner authorizes Broker to remit trust funds of the Owner (which funds may consist in whole or part of rent or rents and other taxable income collected for Owner by Broker) to the California Franchise Tax Board as and for withholding taxes, when the Owner is subject to the Non-Resident Withholding Requirement under the California Revenue and Taxation Code.
2. The property shall be listed in MLS and on rental websites as a long-term, unfurnished rental.
3. To assure our properties are rented quickly, Broker's standard policy on rent rate following initial listing of the property is as follows: if the property is not generating significant interest and has not rented, Broker will initiate rent reductions in the following sequence: 1) After 10 days, 3-5% reduction from initial listing rental rate; 2) after the next 10 days, another 3-5% reduction; 30+ days, another 4-5% reduction (total reductions 10-15%).
4. Owner acknowledges that wear and tear on the rental property is normal and that regular maintenance of the property, appliances and other aspects such as plumbing, electrical, windows/screens and doors, garden and landscaping, is to be expected. Broker advises Owner to set aside his/her own maintenance reserves between 10-15% of owner distributions received for ongoing and unexpected maintenance purposes. Another good rule of thumb, according to the "one-percent rule", is to set aside at least one-percent of your home's value every year for home maintenance. Using this logic, if your home is worth \$450,000, you should set \$375 a month for expected home maintenance and anticipate about \$4,500 in repair costs during the year.
5. Owner acknowledges that Broker has provided its document "Frequently Asked Questions", attached herewith as a separate document, prior to engaging in this Property Management Agreement.
6. Owner is signing up with North County Property Group under the "Standard Program" @ 8% management fees. The program details offered by North County Property Group and the differences between the Standard and Premium Programs are defined and outlined on the company website at: www.ncpropertygroup.com/pricing.
7. Mandatory maintenance items to be performed and charged by Broker at the property include: annual HVAC service to assure efficient function and Carbon Monoxide safety; property rekey after each tenant turnover; copies of sets of keys as needed to provide to tenants and for use by Property Manager; cleaning of the property upon property onboarding, as needed, to bring the property to a rent ready level of cleanliness prior to tenant move in.
8. Broker shall conduct periodic home inspections as reasonably required.
9. If an Owner's reserve in the Broker trust account should become a negative balance, Owner will be asked to make an immediate Owner contribution. If negative balance remains after 3 days, a 4% monthly carrying charge will be incurred.
10. Changes to the terms and conditions of Broker's property management program can be made without modification to this Agreement, provided such changes are given in writing to Owner with 30-day notice by email, mail, or post/share in Broker's Owner Portal.
11. Broker reserves the right and authority to, at any point in time and at our discretion, turn over the security deposit to the owner who will then be personally responsible for the security deposit disposition.
12. Upon Owner request and mutual agreement with Broker, it is possible to sell the premises with tenant in possession (TIP). Because our property management agreement provides for an exclusive agency relationship, Owner may not hire another Agent to facilitate the sale of your property until your agreement with North County Property Group is concluded or terminated with proper 30-day notice.
13. Broker shall have the right to assign this Agreement, and Lease Agreements, to another person or entity. Any such assignment shall be evidenced by a written agreement between Broker and its assignee, whereby such assignee shall expressly assume all of Broker's obligations and liabilities under this Agreement. Upon any such assignment by Broker, the party originally designated as "Broker" under this Agreement shall be released from any and all liability as of the date of such assignment and assumption.
14. North County Property Group recommends to carry adequate insurance coverage detailed in section 4.5. of the Property Management agreement, however, decisions on Owner insurance coverage and Owner insurance carrier are at the discretion of Owner. North County Property Group cannot be held responsible or liable for claims brought against Owner that may not be covered by Owners insurance.

X _____
Initial Here