



**Guardian Property Management**

**ADDENDUM #2 TO EXCLUSIVE PROPERTY  
MANAGEMENT AGREEMENT**

**COMPANY POLICIES AND PROCEDURES**

This Addendum is attached to and a part of the Exclusive Property Management Agreement dated \_\_\_\_\_ between \_\_\_\_\_

(hereafter referred to as "Owner") and Guardian Property Management (hereafter referred to as "Agent") of the real property commonly known as \_\_\_\_\_

hereby agree to the following:

1. **Advertising:** The Agent charges a one-time, non-refundable administrative/advertising fee due upon signing the Exclusive Property Management Agreement. Advertising programs are based on the individual needs of each property and market conditions. Our advertising program insures the property will have a "For Rent" sign placed in the yard or window as allowed by law or community covenants. A listing will be placed in the Fayetteville Multiple Listing Service, which provides information to real estate brokers in Fayetteville and surrounding areas. The property will also be listed on our company website located at [www.guardianfayetteville.com](http://www.guardianfayetteville.com), along with other appropriate websites.
2. **Rental Agreement:** When a tenant has been approved, a Residential Rental Contract will be executed. The owner will receive a signed copy. A typical lease term lasts twelve (12) months, but a particular lease may have a longer or shorter term depending on the circumstances.
3. **Rent Payments:** Tenants are required to pay rent between the first (1st) and the fifth (5th) of each month. Upon receipt, the management fees and maintenance expenses are deducted. The remaining proceeds are then direct deposited to Owner's bank account. Agent makes every effort to ensure that all proceeds are received by Owner's bank between the 10th and 15th of each month. If your payment will be deposited later than those dates, Agent will notify Owner.
4. **Owner Statements:** The Owner will receive an Owner Statement every month, detailing the financial transactions pertaining to each property you own. The statement will reflect the amount of rent collected for the current month, the amount of the management fee deducted, and any maintenance expenses or utility charges (if applicable). A copy of each invoice for any maintenance and utility bills we paid will be attached to the Owner Statement. December or January statements will show all expenses incurred on the property during the year. In January of each year, we will provide you an IRS Form 1099 MISC that reflects the total amount of rents

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collected for the prior year. You should contact a tax professional with questions regarding the IRS Form 1099 MISC.

5. **Inspections:** Prior to placing your home into property management, we will perform an evaluation inspection to determine any maintenance needs and a market analysis to determine the proper rental price. Before a Tenant moves in, an Owner Move-out Inspection will be completed. An inventory listing damages, normal wear and tear, etc., will be completed. You may want to consider taking pictures and/or video taping the property prior to leaving. This same inspection will be completed each time a Tenant vacates the property. Our goal is to visit your property at least once every four months to ensure that the Tenant keeps the property clean and well maintained and to assess any maintenance needs that may need attention. The Owner will be notified of any problems. Provide your friends and neighbors with the Agent's phone number so that they may contact us immediately if they observe anything of concern regarding your property.

6. **Showing:** When the property is placed on the rental market and is occupied, the Agent will call to schedule an appointment to show the property to a prospective tenant. If the home is vacant, a lockbox on may be placed on the premises in order for prospective tenants and agents to have access to the keys for showing purposes. Vacant homes may also be shown through a key checkout process.

7. **Owner Move-out:** When vacating the property, follow the cleaning instructions you will be given. If, upon our inspection, we find the home is not cleaned to the cleaning instructions, we will have the home cleaned at the Owner's expense. Your home will be rekeyed by our locksmith at each Tenant move in. The Owner is responsible for the costs of rekeying the home. The Agent needs three sets of keys to each lock in the house. Any locks that do not have keys will be rekeyed at the Owner's expense. We suggest that if you move back into your home after renting you change the locks for safety purposes. Please insure that you have house numbers on the house and mailbox and that they are easily visible. Prior to leaving, discuss with the Agent regarding having the utilities shut off.

8. **Vacancy:** Should the property remain vacant during the winter months, please consider winterizing your home to prevent the pipes from freezing. Should the property remain vacant during the spring and summer months, the lawn needs to be mowed at least twice a month. The Owner may make arrangements with a neighbor or friends to mow the lawn and provide the Agent their contact information or the Agent can contract services for you. You will be notified of the cost prior to any work being done. These funds must be at our office before the work will be performed.

9. **Application:** When a prospective tenant has viewed the property and is interested in renting it, an application will be completed. A credit and background check will be conducted. Once the application is approved, a security deposit will be taken and a Residential Rental Contract executed. Homes will not be taken off the market until a Residential Rental Contract is executed and a security deposit has been received.

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10. **Leases:** Each time a Residential Rental Contract is executed the Owner will be sent a signed copy. When the Residential Rental Contract expires, the Owner will be notified and asked if you would like to renew the contract. If the Owner does not respond, the Tenant will be left on a month to month tenancy. We will contact the Tenant regarding Residential Rental Contract renewal approximately 3 months before expiration to ask if they would like to renew.

11. **Pets:** Pets, and the total number of pets allowed, are at the discretion of the Owner as set forth more fully in the Owner/Property Information Sheet. If pets are allowed on the property, Agent will collect a non-refundable Pet Fee from the Tenant for each pet. The Tenant is responsible for having the property treated for flea infestation and the carpets cleaned at the time of the Move-out Inspection and providing the Agent with a receipt to show proof.

The Agent does not automatically exclude certain dog breeds but does inquire about behavioral qualities such as past incidents of aggressive tendencies, and reserves the right to exclude a particular dog. However, some insurers maintain a list of dog breeds for which they will not provide insurance coverage. It is the Owner's responsibility to determine whether the insurer for the Property excludes certain breeds of dogs from coverage, to notify the Agent of any such exclusions, to periodically determine whether there have been any changes in the insurance coverage (such as when the policy renews), and to notify the Agent of any such changes.

12. **Insurance:** Owner will need to contact your insurance company in order to change your Homeowner's Policy to a Dwelling/Landlord Policy which covers Fire and General Liability. This will insure the structure of the property since your belongings will no longer be in the property. The Tenant will be advised to take out Renter's Insurance for the protection of their personal property. Please ensure that we have a copy of your insurance policy on file. Make sure you have adequate liability insurance which protects you from financial loss if anyone sues you because of an injury which occurs at the property, such as injury from an appliance or faulty wiring or any other reason. We also ask that you name Guardian Property Management as an additional insured on your liability policy. Most insurance companies have what is referred to as a "property management endorsement" and there is generally no additional cost to you for adding this coverage.

13. **Termite Contract:** Because termites and other wood destroying insects are a problem in our area, we strongly advise that you have your property inspected for termites and put under a termite contract to protect it from loss. Please notify your pest control company that we will be managing your property and ask them to send a copy of the annual termite inspection to the office so we are able to keep up with any damage that may occur. The Owner is responsible for maintaining an up to date and continued termite contract.

14. **Garage Door Remotes, Pool and Parking Passes, Etc.:** Provide your property manager with the garage door remotes, pool and parking passes, etc. before you leave as well as, crawl space lock keys, etc.

15. **Owner Manuals, Etc.:** Provide Agent with any owner's manuals or instructional books before you leave. Do not forget to leave a copy of the alarm system manual if your home is

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equipped with an alarm system. Most manuals can be downloaded and printed from the manufacturer's website if you cannot locate one in your files.

16. **Maintenance:** North Carolina General Statute Section 42-42 requires owners to maintain their rental property in a good state of repair, as well as, holding you responsible for all related expenses. Should a repair occur and after evaluating the circumstances it is determined that the Tenant is at fault, the Tenant will be sent a copy of the invoice and requested to reimburse the Owner for the cost of the repair. If the Owner is not promptly reimbursed for said repairs, it may be deducted out of the Tenant's Security Deposit at the time of move-out. Agent will pay for the repair from Owner funds if necessary to protect your property from liens by repair contractors.

Repairs are processed by the Tenant filling out a repair request form and turning it into Agent. Agent will call a reputable repair company to perform the necessary repairs. Our policy is if an item needs repair that required a licensed contractor to install originally, a licensed contractor will be contacted to do the repair. The contractors we use carry General Liability and Workman's Compensation Insurance. Once the Agent receives a bill for the repairs, it is then deducted out of the next month's rental proceeds. If the total cost of a specific repair is \$500 or more, we will, whenever possible, notify you of this expense prior to your next Owner Statement.

Should the Agent encounter a major repair, i.e. new roof or a new compressor needs to be installed in a heat and air unit, Agent will coordinate the required repair with Owner and will attempt to work out payment for the repair prior to the repair work being started. You should understand that there is always the potential for a major repair having to be made quickly in order to remain in compliance with your legal obligation to keep your property in a "fit and habitable condition," and this may necessitate immediate payment of a significant amount necessary to cover the cost of the repair. All funds sent to cover the repairs must be paid in the form of money order or certified bank funds made payable to Guardian Property Management. If there is an emergency repair on your property, we will quickly handle the repair to protect the property from any undue damages.

You should expect to paint the interior walls of the house every 2-3 years. This is considered normal wear and tear and therefore, you as the Owner are responsible for the cost of the painting.

If there is a pool on the property, the Owner is responsible for the opening and closing of the pool. Owner may have someone do this or the Agent will call a professional pool company and bill the Owner. The Tenant is responsible for maintaining the pool, if they desire to use it during the spring/summer season. It is of the utmost importance that the pools remain closed while the property is vacant due to the potential liability. Leave an inventory of all pool equipment and any manuals with the Agent. Additional insurance is required to cover the pool.

The Agent will make reasonable efforts to maintain the property to the best of our ability. Please take into consideration that your house will have normal wear and tear.

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17. **Home Warranties:** Furnish Agent copies of any warranties on the property (Home Warranty, Heat & Air, Appliances, Termite, etc.), please make sure to leave a copy of the contract, phone numbers, and policy numbers with Agent, so that we may contact the correct people for needed repairs. Agent will contact our repair contractors and have repairs done at the Owner's expense if this information is not supplied.

18. **Visits:** Our goal is to visit your property at least once every four months to insure that Tenant is keeping the property clean and to check for maintenance issues. Owner will receive a report after each visit to the property. Agent will keep an eye on the property through various other means such as driving by your property when we are in the neighborhood to see how the tenants are maintaining the yard, etc. This is usually a reflection for the condition of the inside of the house. An unsatisfactory condition of the yard will prompt an immediate visit to the house. The repair people we use also provide us with feedback on the upkeep of the property.

We recommend that you visit your property annually so that you are able to see your house and any changes to it as it goes through the rental process. When you want to visit the property, we must give the Tenant at least 48 hours notice (more if possible) prior to your visit. The Agent available to do a walk through with you during normal business hours. We can arrange for you to visit on the weekend, however, the Agent may not be available to do the walk through with you. Please take into consideration that most holiday times that are convenient for you to visit are also the same holidays for the Tenant and Agent.

19. **Tenant Move-out:** Tenants are responsible for giving a 30-day written notice to vacate before leaving the property. A Move-out Inspection will be conducted to determine normal wear and tear and any damages. You will be notified of any repairs needed to put your property back on the market and any damage found at this time will be reflected as part of the Move-out Inspection. Following the move-out, the property will again be placed on the market in accordance with the Exclusive Property Management Agreement.

If Owner desires to return to the property, it can only be done at the lease expiration. Owner will need to notify the Agent in writing 30-60 days prior to the end of the lease so that we may notify the current Tenant as to your decision.

20. **Management Agreement:** The Exclusive Property Management Agreement renews automatically at the end of each term unless terminated by either party prior to the end of the term.

If a foreclosure proceeding is commenced against your property and the property is sold at foreclosure, it will cause a termination of the Management Agreement with the Agent. In addition, the tenant may have the right to terminate the rental contract and seek damages against you.

21. **Selling:** If you would like information on selling your property, Agent will be glad to provide you with the information and walk you through the process. If you are considering refinancing your house, please let us know. This will affect your mortgage information and possibly your chances of selling the property at a later date if you decide to do so. We will

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gladly refer you to one of the many expert real estate sales agents and mortgage companies we work with who can help you with the information you need to make an informed decision regarding selling your home. We also have several mortgage agents who can assist you should you decide to refinance.

22. **Financial Reserves And Expenses:** Agent urges every homeowner to establish a financial reserve containing sufficient funds to meet necessary repair costs and to be able to meet the eventuality of a vacant property or non-payment of rent. Market fluctuations and economic conditions are beyond Agent's control and can affect the results of our efforts and subsequently you as an owner. Agent suggests that Owner have a minimum reserve of three monthly mortgage payments.

Owner: \_\_\_\_\_

Date: \_\_\_\_\_

Owner: \_\_\_\_\_

Date: \_\_\_\_\_

Agent: \_\_\_\_\_

Date: \_\_\_\_\_