

Property Management Due Diligence Checklist

THIS PROPERTY MANAGEMENT DUE DILIGENCE CHECKLIST is provided by Principle Realty Group, Inc. (the "Company"), including Mark Watterson (the "Agent") to _____ (the Owner) in connection with the management of their rental property located at: _____ (the "Property")

NOTICE FROM COMPANY

Owner is advised that the company and its agents are trained in the marketing of real estate and management of property. Neither the Company nor its agents are trained to provide the owner with professional advice regarding the physical condition of any property or regarding legal or tax matters. The Company and its agents strongly recommend that in connection with any leasing and management of property, Owner retain the professional services of legal and/or tax advisors, tenant pre-screening services, credit reporting agencies and other professionals to satisfy Owner as to any and all aspects of fitness of the tenant being allow to occupy their property. Agent is a resource providing information requested by Owner. The information is considered accurate by not guaranteed. **OWNER IS ADVISED NOT TO RELY ON THE COMPANY, OR ON ANY AGENTS OF THE COMPANY, FOR A DETERMINATION REGARDING THE FITNESS OF THE TENANT TO OCCUPY THEIR PROPERTY. OWNER IS MAKING ALL DECISIONS RELATING TO THEIR PROPERTY AND ACCEPTS FULL RESPONSIBLILITY FOR THEIR ACTIONS.** The following is general listing of issues that may be relevant in Owner evaluation of a prospective tenant to lease property listed above. This document is, however, intended to direct Owners attention to a number of issues that are commonly considered important in the evaluation of any prospective tenant.

- I. **BUIDING CODE/ZONING COMPLIANCE:** Owner is advised to consult with local zoning officials to assure that Owner's intended use of the property will comply with local zoning requirements and with any recorded restrictive covenants and conditions. Owner acknowledges that the Company should not be relied upon for any determination as to any past, present or future building code or zoning restrictions or violations, or as to the suitability of the Property for Owners intended use.
- II. **HAZARDOUS WASTE AND TOXIC SUBSTANCES:** Owner is advised that a variety of federal laws can place strict liability on property owners for hazardous waste management and cleanup of hazardous substances that exist or can be created by tenants. Owner acknowledges that the company should not be relied upon for any determination as to the existence of any hazardous or toxic substances. Owner acknowledges that the liabilities created by tenants that create hazardous or toxic substance issues are the Owner sole responsibility.
- III. **HOME WARRANTY PLANS:** Owner acknowledges that Owner has been advised by the Company of the availability of Home Warranty Plans which provide limited warranties for certain home appliance and certain component of the Property.
- IV. **HOMEOWNERS INSURANCE:** Owner is advise to maintain insurance at all times. Owner is advised to consult directly with insurance companies of Owners choice regarding the availability, coverage's (for rental properties) and costs of homeowners insurance for the Property.



- V. **PHYSICAL CONDITION:** Owner is advised to complete a pre-lease checklist and have it signed by the tenants. Owner acknowledges that the waste created by the tenant is the tenant responsibility and the selection of the tenant to occupy the Property was the Owner sole decision.
- VI. **UTILITY SERVICES:** Owner is advised that the tenant can create liabilities for unpaid utility services. Owner is advised to consult directly with utility provides to determine what liabilities can become the Owner responsibility.
- VII. **DEFAULT REMEDIES:** Owner is advised to understand the default remedies available to them and to exercise them in a timely manner to prevent or limit the impact resulting for unpaid rents. Owner acknowledges that it is their sole responsible execute the legal action necessary to protect their interests.
- VIII. **LEASES AND FORMS:** Owner is advised to consult proper legal advises regarding leases and forms use in the management of their property. The Company
- IX. **PROPERTY INSPECTION:** Owner is advised to conduct quarterly walkthrough inspections of the Property.
- X. **INCOME TAX/LEGAL CONSEQUENCES:** Owners is advised that this transaction has tax and legal consequences. The Company advises the Owner to consult with appropriate legal and tax advisors regarding property management/tenant issues.

RECIEPT AND ACKNOWLEDGEMENT OF BUYER

I have carefully reviewed this **Property Management Due Diligence Checklist**. I understand my rights and the recommendation of the Company to consult with appropriate experts and professional prior to, or a part of any offer to lease my Property.

I FURTHER UNDERSTAND THAT I HAVE SPECIFIC LEGAL RIGHTS AS DO TENANTS. THE COMPANY HAS ADVISED ME TO UNDERSTAND FEDERAL, STATE AND LOCAL LAWS REGARDING LANDLORD/TENANT LAW AND TO SEEK LEGAL ADVICE.

Owners Signature	Date	Owners Signature	Date
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