



*Real Estate Sales & Professional Property Management*

**ADDENDUM**

**CONCERNING WITHHOLDING REUIRED BY  
CALIFORNIA STATE FRANCHISE TAX BOARD**

This "Addendum Concerning Withholding Required by the State Franchise Tax Board (hereafter "Withholding Addendum) is made by and between

\_\_\_\_\_ (Owner)

And  
Estey Real Estate and Property Management (Agent) to the Management Agreement in effect between Owner and Agent dated \_\_\_\_\_, and is made a part thereof.

Agent has advised Owner that California laws and/or policies of the California Franchise Tax Board ("FTB") require property managers to withhold 7% of rents collected after payment of management fee on behalf of landlords who are not California residents and transmit the same directly to the FTB. Owner hereby explicitly authorizes Agent, where appropriate in Agent's good faith judgment, to withhold such sums from rents collected on Owner's behalf, and Owner further authorizes Agent to transfer the same to the FTB, calculated according to Agent's estimation. Agent is authorized by Owner to comply in any way Agent believes reasonable or necessary with the rules and regulations of the California Franchise Tax Board, California statutes, and other applicable law, without limitation. Agent shall not be liable for any miscalculation or erroneous withholding to the FTB due to an error by Agent, Agent's sole liability and obligation to Owner shall be to make reasonable attempts to obtain a refund of such overpayments, or alternately a credit against Owner's future liability to the FTB. In any dispute between Agent and Owner concerning money transmitted by Agent to the FTB, it shall be the burden of Owner to prove that Agent did not act in good faith.

WHEREFORE the parties have executed this Withholding Addendum as of the dates of their signatures below.

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

Owner \_\_\_\_\_

\_\_\_\_\_

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

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

**Estey Real Estate and Property Management**