

KEY REALTY PROPERTY MANAGEMENT LLC
dba Key Property Management
9890 S. Maryland Pkwy Suite 200
Las Vegas, NV 89123
(702) 914-6567 Office

PROPERTY MANAGEMENT AGREEMENT

THIS PROPERTY MANAGEMENT AGREEMENT (hereinafter referred to as the "Agreement"), entered into

This _____ day of _____ 200__, by and between _____

(Hereinafter referred to as "Owner") of property located at: _____,

In the City of _____, County of Clark, State of Nevada, Zip Code _____ (hereinafter referred to as the "Property") and **KEY REALTY PROPERTY MANAGEMENT LLC** (hereinafter referred to as "Agent").

1. **AGENCY:** Owner hereby employs Agent as exclusive leasing and managing agent for the Property.
2. **COMPENSATION:** Owner agrees to pay Agent, as compensation for the services of Agent provided herein, the following
 - (a) a one time administration fee of \$300.00,
 - (b) 10 % of gross monthly rents collected,
 - (c) a re-leasing fee of \$125.00 at renewal of lease,
 - (d) advertising costs or fees (Up to \$100 p/month) while the property is vacant,
 - (e) 50% of all late fees, if any, that are collected

In the event Owner offers rental incentives, the management fee will be based on the monthly rental rate of Lease.

3. **MANAGEMENT AND OPERATION:** Owner grants Agent the following authority and powers and agrees to assume any and all expenses in connection therewith.
 - a. **Diligent Efforts:** Agent shall make diligent efforts to obtain a suitable tenant as soon as possible at the monthly rent of

\$ _____ but not less than \$ _____, or market value.
 - b. **Lease Negotiations:** Agent shall handle all negotiations with tenants and prospective tenants. Upon execution of a lease, Agent shall collect from the tenant all prorated rents plus a refundable Security Deposit. Depending on market conditions or special circumstances, Agent may collect additional rents and/or deposits in advance. The tenant's Security Deposit shall be maintained in Agent's trust account and shall not be used to pay Owner's obligations. Agent has authority to approve applicants and sign lease on behalf of the Owner if Agents criteria of a satisfactory tenant is met.
 - c. **Collection of Rents:** Agent shall collect the rents from the Property promptly when such amounts come due, taking all necessary steps to collect same and performing all reasonable acts on behalf of Owner for the protection of Owner in the collection of such amounts. Owner waives the right to receive any fees collected by Agent for returned checks. Owner will receive 50% of all late charges collected.
 - d. **Account Balance / Payments / Other Expenses:** Owner agrees to maintain sufficient funds in Owner's account with Agent necessary to pay all normal expenses prior to the collection of any monthly rent. At a minimum, a \$200.00 balance shall be maintained in Owner's account. _____ (initial)*.
 - e. **No Advancement of Funds:** Agent shall not be required to advance any monies for the care, repair, upkeep, or management of the Property and Owner agrees to advance all monies necessary for those purposes. Agent reserves a lien against the real property and rents collected or to be collected under the lease for any advances and expenditures made by Agent for the benefit of said Owner and the real property with improvements thereon and which are not thereafter reimbursed by Owner.
 - f. **Disbursements:** Agent may withdraw from Owner's account all disbursements which Agent may make pursuant to the Agreement and which are to be made at the expense of Owner, including any compensation which becomes due and owing to Agent as set forth in this Agreement. Agent shall make disbursements from Owner's account in the following order of priority: (1) management fees; (2)

(_____) (_____) Owners Initials

advertising costs; (3) pool service; (4) lawn services; (5) any and all repair bills; (6) utilities as required; (7) proceeds to Owner; and (8) other _____.

- g. **Accounting Statements:** Agent shall provide Owner with a monthly statement of receipts and disbursements incurred in the management of the Property. Agent shall also provide Owner with an annual statement of receipts and disbursements and shall prepare a 1099 Form as required.
 - h. **Repair and Maintenance:** Agent may make or cause to be made, any emergency and/or normal expenditures reasonably necessary for the upkeep, protection, and management of the Property to be paid out of Owner's account. Owner shall not hold Agent responsible for the maintenance or upkeep of the yard or lawn. No improvements, alterations, or repair work costing more than \$250.00 shall be made by Agent without the prior authorization of Owner, except in the event of emergency situations that require immediate repairs or alterations or when maintenance or repairs are necessary to preclude the delay of occupancy by a new tenant or Owner (i.e., interior painting). In the event of a vacancy, Agent shall take reasonable precautions to safeguard the Property and its contents; however, it is agreed that Agent shall not be held liable for the cost of replacement of Owner's personal property in case of theft or vandalism. In addition, in the event of a vacancy, Agent shall not make or cause to be made any emergency or normal expenditure for the repair, maintenance, or upkeep of the Property which will be in excess of the Security Deposit on hand plus the balance in Owner's account unless and until the additional funds needed to complete the work are received by Agent from Owner.
 - i. **Property Evaluation:** Agent shall make routine interior and/or exterior evaluations of the Property upon renewal of the lease agreement, vacation of premises, substitution of roommates, and upon receipt of a complaint or violation letter from neighbors or a homeowner association. An evaluation shall not be interpreted as an "Inspection" as outlined in NRS645D. An evaluation is designed to make the Owner(s) aware of obvious physical aspects of the Property, which are generally referred to as "cosmetic" in nature. Agent will not observe inaccessible areas of the property. Should Agent become aware of what could be a structural or systems problem, the Owner will be notified in writing, and a licensed professional will be contacted at owner's request.
 - j. **Special Project Repairs:** Owner agrees to pay Agent ten (10%) percent of the contract price for any modernization, redecoration, improvement, major repair, or alteration contracted by Agent at Owner's request, including, but not limited to carpet replacement, landscaping or sprinkler installation, block wall construction or other fencing, remodeling of kitchen or bath, exterior painting, or re-roofing for any work performed over Five Hundred (\$500.00) Dollars.
 - k. **Legal Actions:** Agent shall have the authority to terminate tenancies and to sign and serve notices as are deemed necessary by Agent, to institute and prosecute actions to oust tenants and to recover possession of the Property, to sue for and recover rent, and when expedient, to settle, compromise, and release such actions or suits, or reinstate such tenancies. Owner agrees to reimburse Agent for all expenses of litigation including attorney's fees, filing fees, and court costs which Agent does not recover from tenants. Owner agrees that such legal actions may be filed in Owner's name. In the event a summary eviction proceeding is appealed to district court, Owner shall be solely responsible for obtaining outside legal counsel or assistance to handle the appeal and must pay for all costs and fees incurred in connection with the appeal.
 - l. **Additional Services:** If Owner requests that Agent perform services which are in addition to the services set forth herein, Owner agrees to pay Agent a fee of Forty Five (\$45.00) Dollars per hour to perform such service.
4. **PETS:** Owner agrees to allow tenants to have pets on the premises. YES _____, NO _____, Maximum weight _____, Number of pets allowed _____, Type of pets allowed. CATS _____, DOGS _____.
 5. **PROSPECTIVE TENANTS:** Agent may require a prospective tenant to pay a deposit for the purposes of taking the Property off the rental market until an agreed upon occupancy date. If the prospective tenant does not take occupancy by the agreed upon date, tenant shall forfeit said deposit. Upon forfeitures of said deposit, deposit shall be split equally between Owner and Agent.
 6. **SIGNAGE:** Owner agrees to allow Agent to post "For Rent" or "For Lease" signs on the Property which comply with local zoning and/or city or county regulations and Association C.C. & R's.
 7. **DOCUMENTS/INSURANCE:** Owner shall provide all necessary documents and records and fully cooperate with Agent in all matters with respect to this Agreement. Owner shall procure and maintain Fire and Liability insurance naming Owner and Agent as insured parties and in an amount that will adequately protect Owner and Agent. Owner agrees to provide Agent the name of the insurance company, Insurance Agent, policy number, certificates of insurance, and a copy of the Declaration page. Owner agrees to contact insurance agent for any necessary changes to policy regarding renting said property. Owner agrees to provide these documents to Agent within thirty (30) days from the date of this Agreement. (Paragraph read and acknowledged by Owner (Initials).
 8. **CONDOMINIUM BLANKET POLICY:** If the Property is covered by a blanket policy with a condominium homeowners association, Owner shall provide Agent with information regarding this policy, including, but not

(_____) (_____) Owners Initials

limited to, all information necessary to file a claim.

9. **HOMEOWNERS ASSOCIATIONS:**

Property owner is a member of _____ HOA
(Homeowners Association) which is managed by _____ Phone # _____

Owner shall timely notify Agent if there is a change in the amount of Association dues or assessments owed or if management of the homeowners association is transferred to another individual or management company.

Owner agrees to immediately provide Agent with a copy of the Declaration of Covenants, Conditions, and Restrictions ("CC&Rs"), Bylaws, and any other relevant rules and regulations that apply to the Property.

10. **INDEPENDENT CONTRACTORS / VENDORS:** Agent shall hire, supervise, discharge, and pay all independent contractors / vendors on behalf of Owner required for the operation and management of the Property. All persons so employed shall be deemed employees of Owner and not Agent. It is Agent's policy to recommend and hire only those independent contractors / vendors that are licensed, bonded, certified and insured in the State of Nevada. Agent shall not be held liable for any acts or omissions of any employees, independent contractor, vendors, or personnel hired to do repair or other work on the Property. If Owner chooses to hire an independent contractor / vendor who is neither recommended nor approved by Agent, Owner shall be required to directly contact, hire, supervise and pay said independent contractor / vendor. Agent shall not be held liable for any act or omission of Owner or said non-recommended or non-approved independent contractor/vendor.

11. **WARRANTIES ON EQUIPMENT:** Owner shall provide Agent with a copy of all current warranties on installed equipment and the names of those authorized to perform warranty repairs. If Owner fails to provide Agent with a copy of such warranty and the identity of those authorized to make warranty repairs, Owner agrees to pay for work performed by an independent contractor / vendor hired to make such repairs.

Home Warranty Company (if any): _____ Phone: _____

12. **WARRANTIES OF NEWLY-CONSTRUCTED PROPERTIES:** Owner shall be solely responsible for conducting the initial inspection and walk-thru of newly constructed properties and providing the builder with a list of needed repairs. Owner shall also be responsible for ensuring that the builder makes all repairs listed on the initial walk-through list.

13. **NOTICE PRIOR TO EXPIRATION OF LEASE:** At least sixty (60) days prior to the expiration of any lease, Owner shall notify Agent in Writing as to whether Owner intends to terminate the lease, allow a month-to-month tenancy, enter into new lease, or sell the Property. If Owner does not provide Agent with such a notice, Agent may re-lease the Property upon expiration of the lease or extensions thereto.

14. **COLLECTION ACCOUNTS:** Should a tenant break a lease or move owing the Owner any funds, Agent shall turn the account over for collection. Agent shall charge a Twenty Five (\$25.00) Dollar processing fee, and ten (10%) percent of any sums recovered.

15. **AGENCY DISCLOSURES:** Owner authorizes and instructs Agent to provide Agency Disclosure forms to any and all tenants and to maintain copies of said Disclosure in the file for future use.

16. **INDEMNIFICATION:** Owner shall indemnify and hold Agent and its employees, agents, officers and directors harmless from liability for any and all claims, costs, suits and damages, including attorney's fees, arising directly or indirectly out of or in connection with the management and operation of the Property and from liability for injuries suffered by any person relating to the Property; provided, however, Owner's duty to indemnify shall not extend to the acts of Agent constituting gross negligence or willful misconduct. The duty to indemnify Agent extends to any acts or omissions, statements, or representations made by Agent in the performance or non-performance of Agent's duties and relating to all contractual liabilities that may be alleged or imposed against Agent. Owner's duty to indemnify shall survive termination of this Agreement.

17. **TERM/AUTOMATIC RENEWAL:** This Agreement shall be for an initial term of one year commencing on the date of this contract. This Agreement shall be automatically renewed for successive one-year periods unless terminated by either party upon written notice sent to the other party not less than thirty (30) days before any expiration date.

18. **TERMINATION:** This Agreement may be terminated by either party upon thirty (30) days written notice which is sent to the other party not less than thirty (30) days before any expiration date. Upon termination by Owner or expiration of this Agreement, Owner shall pay Agent all management fees which would have accrued through the end of the term of the lease, or in the event of a month-to-month tenancy, all management fees which would have accrued through the expiration of the thirty (30) days following notice of termination.

19. **TRANSFER OF SECURITY DEPOSIT:** In the event Owner terminates this Agreement with Agent, Agent may release and transfer the Security Deposit to Owner or other company or individual designated by Owner upon written authorization by tenant.

20. **WHO IS BOUND:** This Agreement is binding upon the parties hereto, their representatives, successors, and assigns.

21. **HEADINGS:** The paragraph headings in this Agreement are not a substantive part of this Agreement and shall not limit or restrict this Agreement in any way.

22. **MODIFICATION:** This Agreement may not be modified, altered, or amended in any manner except by an agreement in writing executed by the parties hereto.

(_____) (_____) Owners Initials

23. **SPECIAL INSTRUCTIONS:** Owner has been provided with a Cleaning Checklist. If the property fails to meet the cleaning criteria, the property may be temporarily removed from the market, until the necessary work and/or cleaning is performed. If Owner wants Key Realty Property Management to perform the work, the funds must be paid in advance for all contracted work.
24. **SALE TO TENANT:** During the term of this agreement, should any property that is subject of this agreement be sold to any tenant residing in said property purchase said property; Owner agrees to pay agent a real estate commission equal to three percent (3%) of the sales price at the close of escrow through the escrow company.
25. **ADVERTISING/MLS:**
- a. The approximate weekly cost of advertising in the Las Vegas Review Journal and online websites, can be up to thirty dollars (\$30). **Giving agent such authorization to do so, the owner will be billed for such costs when the property is rented. If owner cancels agreement for any reason prior to the property being leased, owner agrees to pay for the advertising ran by Key Realty Property Management in attempt to lease the property.**
 - b. The cost of Multiple Listing Service referral fee. This is paid as a referral fee/commission *if* leased from and outside agency, not employed by Key Realty Property Management, up to three hundred dollars (\$300). If the owner would like to offer a higher MLS commission please enter it here \$_____.
 - c. Key Realty Property Management LLC charges all applicants an application fee and an admin fee. This fee is retained by Key Realty Property Management LLC.
26. **UTILITIES/ASSOCIATION FEES:** Owner is responsible for the payment of sewer cost and association fees, in addition, the owner would like to keep the following utilities on in their name: _____ Alarm
 _____Electricity_____ Water _____ Trash _____ Gas _____ Pool Service _____ Landscaper
 For showing purposes the owner is responsible for having the water and power on at the property when vacant.
27. **APPLIANCES:** We highly recommend that your property contain all appliances including a washer, dryer, and refrigerator in order to compete with other rental properties in the area. Will you be providing a washer, dryer and refrigerator on your property? _____ Yes _____ No _____
28. **DEFAULT/MORTGAGE PAYMENTS:** Owner agrees to notify Key Realty Property Management in writing if ANY mortgage payments are missed or the property has gone into default or pre-foreclosure.

How did you hear about us? _____

29. **SIGNATURES:** As evidenced by the signatures below, the parties have agreed to this contract.

OWNER _____ DATE _____.

S.S.# _____

OWNER _____ DATE _____.

S.S.# _____

Mailing Address _____

City _____ State _____ Zip _____

Telephone (Home) _____ (Cell) _____

(Work) _____ (Fax) _____

Email _____ **Email #2** _____

Agent Signature _____ Date _____

Broker _____ Date _____

(____) (____) Owners Initials

DUTIES OWED BY A NEVADA REAL ESTATE LICENSEE

This form does not constitute a contract for services nor an agreement to pay compensation.

In Nevada, a real estate licensee is required to provide a form setting forth the duties owed by the licensee to:

- a) Each party for whom the licensee is acting as an agent in the real estate transaction, and
- b) Each unrepresented party to the real estate transaction, if any.

Licensee: The licensee in the real estate transaction is Brian Hartsell
 whose license number is 098757. The licensee is acting for [client's name(s)] _____
 _____ who is/are the Seller/Landlord; Buyer/Tenant.

Broker: The broker is Ted Federwitz, whose
 company is Key Realty LLC.

Licensee's Duties Owed to All Parties:

A Nevada real estate licensee shall:

1. Not deal with any party to a real estate transaction in a manner which is deceitful, fraudulent or dishonest.
2. Exercise reasonable skill and care with respect to all parties to the real estate transaction.
3. Disclose to each party to the real estate transaction as soon as practicable:
 - a. Any material and relevant facts, data or information which licensee knows, or with reasonable care and diligence the licensee should know, about the property.
 - b. Each source from which licensee will receive compensation.
4. Abide by all other duties, responsibilities and obligations required of the licensee in law or regulations.

Licensee's Duties Owed to the Client:

A Nevada real estate licensee shall:

1. Exercise reasonable skill and care to carry out the terms of the brokerage agreement and the licensee's duties in the brokerage agreement;
2. Not disclose, except to the licensee's broker, confidential information relating to a client for 1 year after the revocation or termination of the brokerage agreement, unless licensee is required to do so by court order or the client gives written permission;
3. Seek a sale, purchase, option, rental or lease of real property at the price and terms stated in the brokerage agreement or at a price acceptable to the client;
4. Present all offers made to, or by the client as soon as practicable, unless the client chooses to waive the duty of the licensee to present all offers and signs a waiver of the duty on a form prescribed by the Division;
5. Disclose to the client material facts of which the licensee has knowledge concerning the real estate transaction;
6. Advise the client to obtain advice from an expert relating to matters which are beyond the expertise of the licensee; and
7. Account to the client for all money and property the licensee receives in which the client may have an interest.

Duties Owed By a broker who assigns different licensees affiliated with the brokerage to separate parties.

Each licensee shall not disclose, except to the real estate broker, confidential information relating to client.

Licensee Acting for Both Parties: You understand that the licensee _____ may *or* _____ may not, in the future act

for two or more parties who have interests adverse to each other. In acting for these parties, the licensee has a conflict of interest. Before a licensee may act for two or more parties, the licensee must give you a "Consent to Act" form to sign.

| I/We acknowledge receipt of a copy of this list of licensee duties, and have read and understand this disclosure. | | | | | |
|--|-------------|-------------|---------------------|-------------|-------------|
| <u>Seller/Landlord</u> | <u>Date</u> | <u>Time</u> | <u>Buyer/Tenant</u> | <u>Date</u> | <u>Time</u> |
| <u>Seller/Landlord</u> | <u>Date</u> | <u>Time</u> | <u>Buyer/Tenant</u> | <u>Date</u> | <u>Time</u> |

Request for Taxpayer Identification Number and Certification

**Give form to the
 requester. Do not
 send to the IRS.**

| | | |
|--|---|--|
| Print or type See Specific Instructions on page 2 | Name (as shown on your income tax return) | |
| | Business name, if different from above | |
| | Check appropriate box: <input type="checkbox"/> Individual/ Sole proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Other ▶ | <input type="checkbox"/> Exempt from backup withholding |
| | Address (number, street, and apt. or suite no.) | Requester's name and address (optional) |
| | City, state, and ZIP code | |
| List account number(s) here (optional) | | |

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. 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 3.

| | | | | | | | | |
|--------------------------------|--|--|--|--|--|--|--|--|
| Social security number | | | | | | | | |
| | | | | | | | | |
| OR | | | | | | | | |
| Employer identification number | | | | | | | | |
| | | | | | | | | |

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Part II Certification

Under penalties of perjury, I certify that:

1. 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
2. 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, and
3. I am a U.S. person (including a U.S. resident alien).

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 4.)

| | | |
|------------------|----------------------------|--------|
| Sign Here | Signature of U.S. person ▶ | Date ▶ |
|------------------|----------------------------|--------|

Purpose of Form

A person who is required to file an information return with the IRS, must obtain 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.

U.S. person. Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee.

In 3 above, if applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

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

For federal tax purposes, you are considered a person if you are:

- An individual who is a citizen or resident of the United States,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States, or
- Any estate (other than a foreign estate) or trust. See Regulations sections 301.7701-6(a) and 7(a) for additional information.

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,