

**K.G.D.O HOLDING COMPANY, INC
DBA TERRA WEST PROPERTY MANAGEMENT, REALTORS®
LICENSED REAL ESTATE BROKER**

PROPERTY MANAGEMENT AGREEMENT

THIS PROPERTY MANAGEMENT AGREEMENT (hereinafter referred to as the "Agreement"), entered into this _____ day of _____, by and between _____ (hereinafter referred to as "Owner") of property located at: _____ Mailbox no. _____, Parking spot no _____, in the City of _____, County of Clark, State of Nevada, Zip Code _____ (hereinafter referred to as the "Property") and **TERRA WEST PROPERTY MANAGEMENT** (hereinafter referred to as "Agent").

1. **AGENCY:** Owner hereby employs Agent as 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 non-refundable set-up fee of \$300.00 (three hundred dollars), (b) _____ of monthly rents collected, (c) a lease renewal fee of \$150.00 (one hundred fifty dollars). 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. **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:** From time to time Agent shall handle negotiations with tenants and prospective tenants. Upon execution of a lease or month-to-month contract, Agent shall collect from the tenant all prorated rents plus a refundable Security Deposit and a non-refundable Cleaning Fee. Depending on market conditions or special circumstances, Agent may collect additional rents and/or deposits in advance. The tenant's Security Deposit and Cleaning fee shall be maintained in Agent's trust account and shall not be used to pay Owner's obligations. Owner waives any right to interest, which, may accrue on tenant's Security Deposit and Cleaning Deposit.
 - 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 or late charges.
 - 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 \$250.00 (two hundred and fifty dollars) 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 the right to place 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:
(X) management fees; () association fees; () sewer bills; () pool/spa service; () landscape services; (X) any and all repair bills; (X) utilities as required; () proceeds to Owner; and () 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 (two hundred and fifty dollars) 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. Owner understands and agrees that the maintenance of essential services, appliances, landscape, pool and spa, trash collection, re-key of locks after each tenant, normal wear, and other general repairs and improvements will be performed at Owner's expense.

- i. **Special Projects/Repairs:** Owner agrees to pay Agent 10% of contract price for any major alteration, modernization, redecoration, or major capital improvements in excess of \$500.00 (five hundred dollars) which are managed/supervised by the Agent at the Owner's request. This provision shall include, but is not limited to such projects as exterior fencing/wall repair or construction, exterior painting, roofing, pool/spa installation/repairs, interior renovations, heating and cooling equipment installations, carpet replacement, and landscaping.
 - j. **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. Owner agrees to pay Agent \$95.00 (Ninety five dollars) per evaluation for any additional evaluation performed at the request of or as authorized by Owner. 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.
 - 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, and when expedient, to settle, compromise, and release such actions or suits, or reinstate such tenancies. Owner agrees that such legal actions may be filed in Owner's name. If Agent is required to evict a tenant procured, screened, or approved by Agent, Owner agrees to pay Agent a fee of \$75.00 (seventy five dollars) per hour to handle such an eviction. If Agent is required to evict a tenant not procured, screened, or approved by Agent, Owner agrees to pay Agent a fee of \$150.00 (one hundred and fifty dollars) per hour to handle such an eviction. 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. **Insurance Claims/Matters:** Owner agrees to submit all claims to the insurance company or its representative. Agent agrees to cooperate with the Owner, insurance company and/or its representative in providing any relevant documents and information pertaining to the claim.
 - m. **Police Reports:** Owner agrees to pay Agent \$75.00 (seventy five dollars) per hour if Agent must file a Police Report in connection with the Property.
 - n. **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 \$75.00 (seventy five dollars) per hour to perform such service.
4. **PETS:** Owner agrees to allow tenants to have pets on the premises. YES _____, NO _____, Maximum weight 45 lbs, 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 "Landlord/Renter" insurance policy in an amount that will adequately protect Owner and Agent, provide coverage for the property if vacant for more than thirty (30) days, and name Agent as additional insured. 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 upon execution of this Agreement.

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 limited to, all information necessary to file a claim.
9. **HOMEOWNERS ASSOCIATIONS:** Owner is a member of _____ Homeowners Association which is managed by _____. 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 provide Agent with a copy of the Declaration of Covenants, Conditions, and Restrictions ("CC&R's"), Bylaws, and any other relevant rules and regulations that apply to the Property within 10 (ten) days of signing of this Agreement.
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. _____ initials
11. **EQUIPMENT AND WARRANTIES ON EQUIPMENT:** Owner is required to provide the following appliances on the property: (X) dishwasher, (X) washer, (X) dryer, (X) refrigerator, (X) stove. 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.
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. If Agent agrees to monitor repair work for Owner, Agent shall be paid a fee of \$75.00 (seventy five dollars) per hour.
13. **NOTICE PRIOR TO EXPIRATION OF LEASE:** At least 60 (sixty) 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 \$25.00 (twenty five dollars) processing fee, and 10% (ten) 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 _____ and ending on _____. 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 30 (thirty) days before any expiration date.
18. **TERMINATION:** This Agreement may be terminated by either party upon 30 (thirty) days written notice which is sent to the other party not less than 30 (thirty) days before any expiration date. In the event the property is occupied by a renter, this Agreement may only be terminated conterminously with the end of the lease term by either party upon 30 (thirty) days written notice which is sent to the other party not less than 30 (thirty) days before the expiration date of said lease term. Upon written notice of termination of this Agreement by Owner prior to the actual expiration date of the lease agreement with the tenant, Owner shall pay Agent all projected management fees that would have been paid if the lease would have been fulfilled through the end of the term of the lease, or in the event of a month-to-month tenancy, all

