



"DO'S AND DON'TS OF PROPERTY MANAGEMENT"



DO'S



DON'TS

3 Hours of Property Management
Continuing Education

Approved by the Division on Behalf of the Commission

Participant Outline

JOSEPH R. FITZPATRICK

MEET “COACH”:

David “Coach” Crete has over 25 years of experience in various aspects of real estate sales, including residential and commercial real estate development, commercial and residential construction, land use/entitlement, and land acquisition. His clientele includes general residential consumers as well as commercial owners, tenants and developers.



Dave is the founder and managing broker of Aspire Realty Group. Calling himself a “Real Estate Economics Geek,” Coach conducts regular presentations on the state of the real estate market in Southern Nevada, including analyzing market conditions and trends so as to provide real estate market forecast for other businesses as well as for training agents on the future of the real estate economy. He is *the* perfect instructor for this course.

You can reach Coach at (702) 683-3815 or DCCrete@aspirelasvegas.com.

ONLINE VIDEO WORKSHEET

The Nevada Real Estate Division, on behalf of the Commission, holds CE course sponsors such as Fitzpatrick Real Estate School accountable for the following regarding online/distance learning courses:

- verify that students watch the complete three-hour presentation and spend the three hours required to earn a three-hour certificate;
- verify that students did not start the presentation and leave the presentation to run on its own without the student viewing it;
- evaluate the student mastery of the material;
- provide the student with support services and interaction;
- having a method to assess student performance during instruction.

To accomplish these goals, we have developed this “Online Video Worksheet” to accompany the videos we use to teach CE courses online. Throughout the videos, we have embedded “checkpoints” that will prompt you to fill in the answers below.

In order to receive credit for the online course, you must answer the checkpoints correctly with a score of 80% and submit using the Online Video Worksheet link located above the three videos.

CHECKPOINT #1: _____

CHECKPOINT #2: _____

CHECKPOINT #3: _____

CHECKPOINT #4: _____

CHECKPOINT #5: _____

CHECKPOINT #6: _____

Student Name: _____ Date: _____

Course Title: Do’s and Don’ts of Property Management

PLEASE SUBMIT USING THE LINK ABOVE THE 3 VIDEOS ON THE WEBSITE.

I. Course Overview:

Many Nevada real estate licensees choose to specialize in Property Management. This is a unique branch of the real estate industry that requires specialized education and expertise. This course is approved for 3 hours of property management CE and instructed by a true expert in the field.

Objectives:

- The “Don’ts” of Property Management
- The LVR Property Management Agreement
- Types of Leases (Residential and Commercial)
- Setting Rents
- Screening Tenants
- Record Keeping and Reporting

II. The “Don’ts” of Property Management

- Don’t accept a management agreement outside your service area
 - more effort
 - more time
 - more expense
- Don’t accept a management agreement outside your realm of expertise
 - commercial?
 - industrial?
 - specialty properties? (medical, storage units, timeshare, etc.)
 - “Don’t practice on your owners.”
- Don’t cut your commission
 - “Never reduce your value because someone can’t pay the price.”
 - can’t stay in business if you’re not adequately compensated
 - entitled to compensation for expenses, time, and expertise
 - don’t “buy” business by reducing your fees
 - if an owner asks you to cut your fees, the owner probably has already decided to hire you
- Don’t be a Slumlord
 - don’t accept a management agreement for a landlord who wants to maximize income without regard for tenant services or make repairs
 - you could take on liability for uninhabitable properties
 - damages your reputation
 - could be a sign of upcoming foreclosure
 - could become a fair housing issue if tenants are minorities or non-citizens
- Think twice about managing properties with negative cash flows
 - owner should have full understanding and ability to sustain a property with negative cash flow
 - could be an owner who will not make repairs or provide tenant services
 - owner might not compensate you on time
 - might not pay vendors

- Think twice about managing properties in violations of code or zoning
 - owner should show willingness to correct
 - some unscrupulous owners hire PMs to serve as a buffer between authorities and owner
 - you don’t want to get caught in the middle
- Think twice about managing properties for owners who want to retain full control
 - you don’t want to be an employee
 - owner is not always right
 - you don’t want to be a “co-manager”
 - you lose trust and respect

III. The Property Management Agreement: See pp. 8-21

- Components:
 - creates an agency relationship
 - in Nevada:
 - must be in writing/signed by owners and *broker*
 - must contain a fixed start and end date
 - may contain “automatic renewal” language
 - owner obligations and property manager obligations
 - commission and fees
 - termination
 - liabilities
 - accounting
 - repairs
 - evictions and terminations of tenancy
 - scope of authority
 - deposits and return of deposits
- Review and Discussion of LVR Residential Property Management Agreement

IV. Types of Leases

- Residential

___ Estate for Years	A. no specific termination date, notice required to terminate
___ Periodic Tenancy	B. pre-agreed possession upon lease termination
___ Estate at Will	C. month-to-month is an example
___ Estate at Sufferance	D. tenant has overstayed legal right of possession
___ Holdover Tenancy	E. of any duration, must have a definite starting and ending date
	F. lease of at least one year or more

There is one extra!

- Commercial

TRUE OR FALSE

1. ___ While residential leases are distinguished by the term of the lease and whether notice was required to terminate, commercial leases are differentiated by how the rent is paid.
2. ___ With a gross lease, the tenant pays a portion of the operating expenses.
3. ___ Net leases are most common with larger commercial and industrial leases.
4. ___ With an indexed lease, the tenant pays the landlord a portion of the tenant’s gross income.
5. ___ The concept of a percentage lease is that the landlord’s location, anchor tenants, and marketing contribute to the overall success of the tenant.
6. ___ The rent remains level throughout the leasehold on a graduated lease.
7. ___ Graduated leases call for increases in rent on each anniversary date.
8. ___ The Consumer Price Index could be integrated into an indexed lease.
9. ___ An escalation lease’s rents are tied to the increases in operating costs.
10. ___ In a triple net lease, the landlord pays all of the operating expenses.

V. Setting Rents

- How does the PM determine rents if called upon to do so?
- Is it any different than determining list prices for sale?
- Comparables
 - what rents are being charged for similar units
 - influenced by vacancy rates
 - too high: rents might be too high
 - too low: rents might be too low
 - make adjustments for
 - location
 - amenities/features
 - size
 - bedrooms and bathrooms



SETTING RENTS:

**Could be argued that in setting rents, we are not competing with occupied rentals.
We should focus on units currently available for lease.**

- **Supply and Demand**
 - **If supply stays level, and demand rises, then rents _____.**
 - **If supply drops, and demand stays level, then rents _____.**
 - **If supply stays level, and demand drops, then rents _____.**
 - **If supply increases, and demand stays level, then rents _____.**

VI. Screening Tenants

- Is this the most challenging aspect of PM?
- If not, what is?
- a bad tenant could result in:
 - rents not collected
 - damage to the property
 - aggravation
 - Lawsuits
- look for undesirable characteristics
- look for willingness and ability to pay
- Financial/Credit Worthiness
 - pay stubs
 - photo ID
 - employer verification / length of employment
 - credit report
 - landlord verifications
- Rental Application
 - The Applicant’s Contact Information
 - Current and Prior Residence Information
 - Employment History and Proof of Income
 - Authorization to Contact Prior Landlords, Employers, and Pull Credit and Criminal Histories
 - Other Questions
 - Have you declared bankruptcy in the last 7 years?
 - Have you ever been convicted of a felony?
 - Have you ever been evicted from tenancy?
 - Have you ever intentionally refused to pay rent?
 - Do you smoke?
 - What pets do you have?

VII. Record Keeping and Reporting

- To the Division
- To the Owner

VIII. Quiz



1 **RESIDENTIAL PROPERTY MANAGEMENT AGREEMENT**

2 Property Address _____

3 Is multi-family unit (Yes) (No) If Yes, how many units? _____

4 This RESIDENTIAL PROPERTY MANAGEMENT AGREEMENT (“Agreement”), entered into this
5 _____ day of _____ 20____, by and between

6 _____ (“Owner”) of the property(ies) described in Exhibit(s)
7 attached hereto (each a “Property” or collectively, “Properties”) and _____

8 (“Broker”), of _____ (Company Name) by and through its authorized agent
9 _____ (“Authorized Agent”) Property Management Permit Number

10 _____; who is duly permitted to manage the Property, (each a “Party and collectively “Parties”)
11 In consideration of the mutual terms of this Agreement the parties agree as follows:

12
13 **Description of the Property.** The Property to be managed under this Agreement is more fully described in
14 Exhibit(s) attached hereto. In the event more than one property, or one property with multiple units, is covered by
15 this Agreement such exhibits shall be enumerated 1, 2, 3 etc.

16
17 **1. NOTICES.** Any notices, demands, consents and reports necessary or provided for under this Agreement shall
18 be in writing and shall be addressed as follows:

19 TO OWNER:	TO BROKER and/or AUTHORIZED AGENT:
20 Name: _____	Company Name: _____
21 Address: _____	Address: _____
22 City, State, & ZIP: _____	City, State, & ZIP: _____
23 Phone: _____	Phone: _____
24 Fax: _____	Fax: _____
25 Email: _____	Email: _____

26
27 **2. ENGAGEMENT OF BROKER.**

28
29 **(A) Engagement and Acceptance.** Owner engages Broker as the sole exclusive Agent of Owner to
30 lease and manage the Property (which includes listing the Property for lease and securing a tenant), upon the terms
31 and conditions provided herein. Broker accepts the engagement and shall furnish the services of the Company for
32 the management of the Property. In addition to other compensation as provided herein, Owner shall pay all of the
33 reasonable expenses in connection with the services described herein. Owner understands and agrees that Broker’s
34 services will be performed through one or more authorized agents, including the Authorized Agent. Any reference
35 to Broker in this Agreement includes any such authorized agents.

36
37 **(B) Relationship of Broker to Owner.** The relationship of the Parties to this Agreement shall be that of
38 principal and agent, and all duties to be performed by Broker under this Agreement shall be on behalf of Owner, in
39 Owner’s name and for Owner’s account. In taking any action under this Agreement, Broker shall be acting only as
40 agent for Owner, and nothing in this Agreement shall be construed as creating a partnership, joint venture or any
41 other relationship between the Parties or as requiring Broker to bear any portion of losses arising out of or connected
42 with the ownership or operation of the Property. Broker shall be an independent contractor and shall not at any time
43 during the period of this Agreement be considered an employee of Owner. Neither Party shall have the power to bind
44 or obligate the other except as expressly set forth in this Agreement, except that Broker is authorized to act with such
45 additional power as may be reasonably contemplated by this Agreement. Broker, under this Agreement, shall not be
46 responsible for delays in the performance of any obligation unless there is an intentional or grossly negligent delay
47 caused solely by Broker, its agents or employees.
48

Property Address _____

Property Owner _____





1 (C) Term. The term of this Agreement (“Term”) shall be for an initial period of _____ year(s) beginning on
2 _____20____ and ending _____20____. Unless earlier terminated as provided in Section 20 herein, the Agreement shall
3 renew annually upon its anniversary date for successive periods of one (1) year each.

4 3. BROKER COMPENSATION AND EXPENSES. COMPENSATION/COMMISSIONS ARE NOT SET BY LAW
5 OR BY ANY REALTOR® ASSOCIATION. THEY ARE FULLY NEGOTIABLE. As compensation for the services
6 rendered by Broker under this Agreement (exclusive of reimbursement of the expenses as provided herein), Owner shall
7 compensate Broker as follows:

8 (A) Management Fee. Broker shall be paid the greater of \$ _____ per month or _____% of the monthly
9 gross collected rents (“Management Fee”). A vacant property fee shall be paid to Broker in the amount of \$ _____ per
10 month if the property is vacant. Any short period shall be prorated based on a thirty (30) day month.

11 (B) Leasing Fee. Upon the execution of a lease for any Property, Broker shall be paid a leasing fee, the greater
12 of: \$ _____ –OR– _____% of the first month’s rent –OR– _____% of the annual rent. Additionally, Broker
13 shall be paid a one-time, non-refundable fee of \$ _____ each time a new tenant is placed in the subject property.

14 (C) Set-Up Fee. For entering any Property into Broker’s property management system, Broker shall be paid a
15 one-time, non-refundable fee of \$ _____.

16 (D) Lease Renewals. For any lease renewals, Broker shall be paid a lease renewal fee of:

- 17 \$ _____
- 18 _____% of the monthly rent
- 19 _____% of the annual scheduled rent

20 (E) Advertising. Owner agrees to pay in advance for any and all advertisements placed for Property on Owner’s
21 behalf. The minimum advertising fee is \$ _____. Unless specified by Owner in writing, Owner agrees that all
22 advertising (including choice of media) shall be made in the Broker’s reasonable discretion.

23 (F) Interest on Unpaid Sums. Any sums due Broker not paid within 30 days after such sums have become due,
24 shall bear interest at the rate of _____% per annum.

25 (G) Extraordinary Services. An hourly fee of \$ _____ per hour shall be paid to Broker for all extraordinary,
26 non-customary or requested tasks, as reasonably determined by Broker in the ordinary course of business. These
27 extraordinary services may include but are not limited to: attendance at eviction or other court proceedings; HOA
28 meetings, HOA compliance hearings (including Ombudsman hearings) or any other related activity.

29 (H) Referral or Other Compensation. The compensation payable to Broker hereunder are not subject to
30 sharing, splitting, or otherwise distributing to any other real estate licensee that refers a tenant applicant to the Broker.
31 The Owner is hereby notified that any referral or other fee or other compensation paid to any real estate licensee, if
32 applicable, must be covered by a separate agreement by reference to this Residential Property Management Agreement.

33 (I) Attorneys’ Fees. If Broker institutes any action against Owner for the collection of any amounts due
34 hereunder, Owner shall pay, in addition to the amounts owed, all reasonable costs and attorney’s fees incurred by Broker.

35

Property Address _____

Property Owner _____

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Authorized Agent for Broker _____ Owner _____ Owner _____





1 4. BANK ACCOUNTS.

2 (A) Trust Accounts. Broker shall establish a separate Trust Account, apart from any company or corporate
3 account, for the deposit of collected receipts in an institution whose deposits are insured. Such depository shall be at the
4 sole discretion of Broker. Designated funds relating to the Property in the Trust Account remain the property of Owner
5 subject to disbursement of expenses by Broker as described in this Agreement. Any interest accrued on this account will
6 be retained by Broker.

7 (B) Initial Deposit and Reserve. Immediately upon execution of this Agreement, Owner shall pay Broker the
8 sum of \$ _____ as a reserve (“Reserve”). Owner shall maintain the Reserve in the Trust Account to enable Broker to
9 pay the obligations of Owner under this Agreement. Broker shall notify Owner if additional funds are required. Owner
10 shall, within 20 days after such notice, remit such additional funds to Broker.

11 5. COLLECTION OF RENTS AND OTHER RECEIPTS.

12 (A) Broker’s Authority. Broker shall collect all rents, charges and other amounts receivable on Owner’s behalf
13 related to or arising from any Property. Such funds shall be deposited in the Trust Account maintained by Broker for such
14 Property.

15 (B) Special Charges. If permitted by applicable law, Broker may collect from the tenants and retain any and or
16 all, but not limited to the following: an administrative charge for late payment of rent, a charge for returned or non-
17 negotiated checks, interest, a rental application fee and any other fees as reasonably determined by Broker in the ordinary
18 course of business.

19 (C) Security Deposit Trust Account. Broker shall maintain a separate Security Deposit Trust Account for
20 security and other deposits paid on tenant’s behalf. Such Trust Account(s) may hold deposits of multiple tenants. All
21 deposits and other amounts held by Broker shall be collected, retained and disbursed in accordance with any applicable
22 lease and law, including NRS Chapter 118A. Any interest earned on Tenant security deposits shall be retained by Broker.

23 6. DISBURSEMENTS OF RENTS AND OTHER RECEIPTS.

24 (A) Operating Expenses. From the Trust Account, Broker is hereby authorized to pay for all expenses and
25 costs of operating the Property and for all other sums due Broker under this Agreement, including Broker’s
26 compensation.

27 (B) Debt Service. Owner shall give Broker advance written notice of at least thirty (30) days to make any
28 additional monthly or recurring payments (such as mortgage indebtedness, general taxes, special assessments or
29 insurance premiums) out of Owner’s proceeds from the Property. If Owner notifies Broker to make such payments after
30 the beginning of the Term, Broker shall have the authority to request Owner increase the Reserve for such amounts.

31 (C) Net Proceeds. To the extent that the receipts from any Property during the applicable period exceed the
32 Broker’s compensation, costs and expenses of repair, replacement and maintenance of any Property and after
33 replenishing and/or maintaining the Reserve, Broker shall transmit such excess funds as reasonably directed by Owner
34 upon at least thirty (30) days prior written notice.

35 7. BROKER IS NOT REQUIRED TO ADVANCE FUNDS. In no event shall Broker be required to use its own
36 funds to pay such disbursements, nor shall Broker be required to advance any monies to Owner or to any trust Account or
37 Reserve.

38

Property Address _____

Property Owner _____

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Authorized Agent for Broker _____ Owner _____ Owner _____





1 **8. FINANCIAL AND OTHER REPORTS.**

2 (A) **Tax Reporting.** Owner agrees to provide Broker with any applicable forms required by the Internal Revenue
3 Service or any other taxing authority prior to any funds being disbursed to Owner.

4 (B) **Reports.** Broker shall furnish Owner with a monthly statement of cash receipts and disbursements and such other
5 reports from the operation of any Property, in the ordinary course of Broker’s business. Broker will provide to Owner and
6 file with any applicable taxing authority(ies) such forms as required by law.

7 (C) **Foreign Investments In Real Property Tax Act (FIRPTA).** Pursuant to the Internal Revenue Code
8 (IRC)Section 1441, the deduction of a withholding tax on all fixed or determinable gross income shall be required of any
9 non-resident alien individual, fiduciary, foreign partnership or foreign corporation unless exempt under provisions
10 provided under said IRS Section. If Owner is a non-resident alien individual, fiduciary, foreign partnership or foreign
11 corporation, Broker will require a written statement pursuant to the controlling IRS Code Section.

12 Owner _____ (is) **–OR–** _____ (is not) a non-resident alien individual, fiduciary, foreign partnership or
13 foreign corporation.

14 **9. MULTIPLE LISTING SERVICE (MLS):** Broker is a participant of LAS VEGAS REALTORS® (“LVR”) Multiple Listing Service (“MLS”), and the listing information will be provided to the MLS to be published and
15 disseminated to MLS participants and subscribers in accordance with applicable MLS Rules and Regulations and Section
16 11, unless Owner otherwise directs by the execution of an “Instruction to Exclude.” Broker is authorized to report the
17 lease, its price and terms for the publication, dissemination, information and use by LVR members and MLS participants,
18 and subscribers.

20 **10. LEASING AND RENTING.**

21 (A) **Authority.** Broker is authorized to negotiate, prepare and sign all leases, including all renewals, extensions,
22 cancellations and modifications of any leases on behalf of Owner. Leases will be written on Broker’s standard lease
23 forms.

24 (B) **Enforcement of the Leases.** Broker is authorized to institute, in Owner’s name, cost and expense, all legal
25 actions or proceedings for the enforcement of any lease term, for the collection of rent or other income from any
26 Property(ies), or for the eviction or dispossession of the tenants or other persons from any Property. Broker is authorized
27 to sign and serve such notices as Broker deems necessary for lease enforcement, including the collection of rent or other
28 income. If Broker deems it necessary, Broker may retain an attorney of Broker’s choice (unless Owner supplies Broker
29 with the name of Owner’s attorney).

30 (C) **Management/Maintenance Review.** Broker shall make management/maintenance reviews, inspections and
31 reports of the Property at the time of occupancy, when the tenant vacates and/or at such other times as Broker reasonably
32 determines and report matters concerning the condition of any Property(ies) to Owner. In the event of any vacancy,
33 Broker will take reasonable precautions to secure such Property.

34 (D) **KEYBOX:** Owner ____ does **–OR–** ____ does not authorize Broker to install a keybox
35 (____ **electronic –OR–** ____ **mechanical**) in connection with the showing of a Property. A keybox is a combination-
36 type box that can be opened by anyone who has access to the combination/code. The MLS requires that a valid working
37 code for a keybox be included in the MLS listing for ease of showing. The code is a confidential field that is not intended
38 to be available to the public. Owner acknowledges that they have been advised that:
39

Property Address _____

Property Owner _____



- 1 a. The purpose and function of the keybox is to permit access to the interior of the Property by authorized third parties
- 2 as well as any licensed professionals necessary to facilitate the lease of any Property;
- 3 b. Owner should remove, secure or otherwise safeguard all personal property and valuables located within a Property
- 4 and obtain applicable insurance;
- 5 c. It is not a requirement of the MLS for an Owner to allow the use of a keybox;
- 6 d. If a current tenant occupies the Property, such tenant’s consent is also required;
- 7 e. Owner _____ **does -OR- does not** _____ authorize Broker to issue a “One Day Code” to access a keybox installed
- 8 on a Property. A “One Day Code” is an electronic means to allow access to the keybox key compartment. Broker
- 9 shall only issue One Day Codes to authorized parties and licensed professionals. Broker further agrees to use all
- 10 reasonable means to authorize and verify the identity of such persons.
- 11 f. Owner acknowledges that LVR, the MLS, Broker or the Authorized Agent is not insuring Owner or occupant against
- 12 theft, loss or vandalism resulting from such access.

13

14 **11. OWNER OPT OUTS:** MLS will disseminate each Property’s listing information to those MLS brokers, agents,

15 members and/or subscribers (and/or their web vendors) who operate Internet sites, as well as other online providers,

16 and that such sites are generally available to the public. Some, but not all, of these websites may include a

17 commentary section where consumers may include reviews and comments about the Property in immediate

18 conjunction with the listing (blogging), or provide a link to the comments. In addition, some, but not all, of these

19 websites may display an automated estimate of the market value of the Property in immediate conjunction with the

20 listing, or provide a link to the estimate. Owner can instruct Broker to have the MLS not display the property on the

21 Internet. Owner also can instruct the MLS to not display the Property address on the Internet. Owner understands that

22 these opt outs would mean consumers searching for listings on the Internet may not see the Property or the Property’s

23 address in response to their search.

24

25 Owner may opt-out of any of the following features by initialing the appropriate space(s) below:

- 26
- 27 a. ____ / ____ / ____ / ____ I/we have advised the Broker that I/we **DO NOT** want a **commentary**
- 28 **section** displayed or linked to the listed Property (the site operator may indicate that the feature was
- 29 disabled at the request of the Owner).
- 30 b. ____ / ____ / ____ / ____ I/we have advised the Broker that I/we **DO NOT** want an **automated**
- 31 **estimate of value** displayed or linked to the listed Property (the site operator may indicate that the
- 32 feature was disabled at the request of the Owner). *Please note that this automated estimate of value
- 33 restriction applies to VOW offices only. Virtual Office Websites (“VOWs”) are Internet sites operated by
- 34 MLS Participant Brokers through which they establish relationships and work with clients and customers
- 35 in cyberspace in ways similar to how real estate professionals interact with clients and customers in a
- 36 “brick and mortar” environment. This restriction does not apply to automated estimates of value created
- 37 by non- MLS Participant websites.

38

39 **—OR—**

- 40
- 41 c. ____ / ____ / ____ / ____ Owner does **NOT** opt out of any of the above.

Property Address _____

Property Owner _____

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1 **12. REASONABLE MAINTENANCE AND REPAIR.**

2 (A) **Ordinary/Emergency Maintenance Repair.** Broker shall make or cause to be made, through contracted
3 services, employees or otherwise, all ordinary repairs, maintenance, and replacements reasonably necessary to maintain
4 and preserve the Property in a habitable condition in accordance with NRS 118A and for the operating efficiency of the
5 Property, and all alterations required to comply with lease requirements, governmental regulations or insurance
6 requirements. Any cost exceeding \$ _____ must be approved by Owner in advance except that in an emergency
7 where repairs are immediately necessary for the preservation and safety of the Property, to avoid the suspension of any
8 essential service to the Property, to avoid danger or life of property, or to comply with federal, state or local law; such
9 emergency repairs shall be made by Broker at Owner’s expense without prior approval. Owner hereby expressly
10 authorizes Broker to assist in scheduling work to repair or maintain any Property pursuant to Nevada law. Both parties
11 acknowledge that the Broker will not receive any additional compensation for this assistance. Both parties further
12 acknowledge that this authorization is only valid for work that does not require a building permit, exceeds \$10,000 every
13 six months, or a general contractor is required.

14 (B) **Smoke Detectors.** At Owner’s expense, smoke detectors will be installed on the Property in working
15 condition in accordance with the law prior to the Tenant’s occupancy. During the occupancy, it shall be the tenant’s
16 responsibility to maintain all smoke detectors.

17 **13. UTILITIES AND SERVICES.** Owner shall, in Owner’s name and at Owner’s expense, make contracts for
18 electricity, gas or water and such other utilities and services described below and as otherwise necessary or prudent for
19 the operation of each Property unless Owner designates Broker to contract these services at Owner’s cost and expense.
20 All utility charges and deposits shall be Owner’s sole responsibility. Should, at any time, Tenant fail to maintain such
21 utilities and services, Owner shall be responsible for any and all related costs and expenses to re-establish such utilities
22 and services as required by law. Broker shall have the right, but not the obligation, to contract such utilities and services
23 and charge Owner therefor.

24 **a. Owner shall maintain the following utilities and/or services in Owner’s name:**

25 **Broker hereby advises Owner to maintain Trash and Sewer (unless not applicable) services in Owner’s**
26 **name for each Property(ies).**

27 Trash Sewer Electric Water Gas Cable Internet

28 Other: _____

29 **Owner Initials** [_____] [_____]

30 **b. Owner hereby authorizes Broker if applicable to communicate with utility companies and service**
31 **providers and makes changes to services, or enter into agreements for service, as Broker deems**
32 **reasonably necessary.**

33 **Owner Initials** [_____] [_____]

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Property Owner _____

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1 c. Owner agrees, at Owner’s sole cost and expense, to have a licensed pool contractor maintain the
2 pool and a landscaping contractor maintain the sprinkler system and landscaping (as applicable) at
3 any Property; provided, however, at Owner’s election, the cost of which may be charged to the
4 applicable tenant as additional rent.

5 Owner Initials [] [] Owner WILL provide pool service.

6 Owner Initials [] [] Owner will NOT provide pool service.

7

8 Owner Initials [] [] Owner WILL provide landscaping service.

9 Owner Initials [] [] Owner will NOT provide landscaping service.

10 14. INSURANCE.

11 (A) Owner’s Insurance. Owner shall obtain and keep in force adequate insurance against damage and
12 against liability for loss, damage or injury to property or persons which might arise out of the occupancy, management,
13 operation or maintenance of the Property. Said insurance shall comply with applicable Nevada law. The deductible
14 required under such insurance policies shall be the Owner’s expense. Broker shall be named as an additional insured on
15 all liability insurance policies maintained with respect to the Property, and Owner shall provide proof of same within
16 fifteen days (15) of the effectuation of this agreement. Liability insurance shall be in form, substance and amounts
17 reasonably satisfactory to Broker, but not less than \$500,000 per incident and \$1,000,000 in the aggregate. Owner shall
18 provide Broker with proof of fire insurance policies in force and shall obtain adequate vandalism coverage for the
19 Property. Owner shall furnish Broker with a certificate evidencing fire and liability insurance or with duplicate copies of
20 such policies within fifteen days (15) after the assumption of management for any Property by Broker and at any time
21 thereafter upon at least ten (10) days prior written notice by Broker. Such policies shall provide that notice of default or
22 cancellation shall be sent to Broker as well as Owner and shall require a minimum of thirty (30) days written notice to
23 Broker before any cancellation of or changes to such policies. If any of the above-mentioned insurance policies lapse, or
24 if Owner fails to maintain policies in the prescribed amounts, Broker shall have the right, but NOT THE OBLIGATION
25 to obtain insurance policies for the coverage and amounts prescribed above at Owner’s sole cost and expense, plus a 10%
26 administrative fee payable to Broker. Owner Initials [] []

27 (B) Tenant’s Insurance. Tenants _____ (shall) –OR– _____ (shall not) be required to obtain renter’s
28 insurance.

29 15. HOLD HARMLESS. Owner shall indemnify, defend and hold Broker harmless from any and all loss, investigation,
30 suits, damage, cost, expense (including attorney’s fees) liability or claims incurred or occurring in, on or about the
31 Property. Owner Initials [] []

32 16. BROKER ASSUMES NO LIABILITY. Broker assumes no liability for any damages, losses, or acts of omission by
33 the Tenant. Broker assumes no liability for any acts or omissions of Owner or previous Owners or previous brokers.
34 Broker assumes no liability for default by any tenant. Broker assumes no liability for violations of environmental or other
35 regulations which may become known during the Term. Any such regulatory violations or obvious or latent hazards
36 discovered by Broker shall be brought to the attention of Owner, and Owner shall promptly cure any such violations or
37 hazards at Owner’s sole cost and expense. Broker shall not be liable in the event of bankruptcy or failure of the
38 depository bank where Owner’s funds are deposited.

Property Address _____

Property Owner _____

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Authorized Agent for Broker _____ Owner _____ Owner _____





1 **17. OWNER’S RESPONSIBILITY FOR EXPENSES OF LITIGATION.**

2 (A) **Litigation and Compliance Expenses.** Owner shall pay or reimburse Broker for all fines, fees,
3 penalties, or other expenses in connection with any claim, proceeding or suit involving an alleged violation of any law
4 pertaining to fair employment, fair credit reporting, environmental protection, rent control taxes or fair housing,
5 including illegal discrimination on the basis of race, sex, color, religion, national origin, physical handicap, familial
6 status, elderliness or all other protected classes; provided, however, that Owner shall not be responsible to Broker for any
7 such expenses if Broker is finally adjudged in a court of law to have personally, and not in a representative capacity,
8 violated any such law. Nothing contained in this Agreement shall obligate Broker to employ legal counsel to represent
9 Owner in any such proceeding or suit.

10 (B) **Fees for Legal Advice.** Owner shall pay reasonable expenses incurred by Broker in obtaining legal advice
11 regarding compliance with any law affecting any Property. If such expenditure also benefits other principals of Broker,
12 Owner shall pay an apportioned amount of such expense.

13 **18. REPRESENTATIONS**

14 (A) **Owner Representations.** Owner represents and warrants that Owner has full power and authority to
15 enter into this Agreement; that there are no written or oral agreements affecting any Property other than disclosed tenant
16 leases, copies of which have been furnished to Broker; that there are no recorded easements, restrictions, reservations or
17 rights of way which adversely affect the use of any Property for the purposes intended under this Agreement; that each
18 Property is zoned for the intended use; that all permits for the operation of each Property have been secured and are
19 current; that any building and improvements on any Property and its respective construction and operation do not violate
20 any applicable statutes, laws, ordinances, rules, regulations, orders or the like; and that the information supplied by
21 Owner is dependable and accurate. **OWNER REPRESENTS THAT ANY LOANS, NOTES, MORTGAGES,**
22 **TAXES, DUES, UTILITIES OR TRUST DEEDS ARE PAID AND ARE CURRENT WITHOUT DEFAULTS;** and
23 that any future defaults on any loans, mortgages, dues, utilities or trust deeds will be reported to Broker within 14 days of
24 Owner’s receipt of Notice of Default (which commences foreclosure proceedings). **OWNER FURTHER REPRESENTS**
25 **THAT NO LIENS OF ANY TYPE (INCLUDING HOA AND OTHER SUPER PRIORITY LIENS) HAVE BEEN**
26 **RECORDED AGAINST THE PROPERTY. OWNER UNDERSTANDS THAT OFFERING A PROPERTY FOR**
27 **LEASE WHILE THE PROPERTY IS IN ANY FORECLOSURE PROCEEDINGS, WITHOUT WRITTEN**
28 **DISCLOSURE, IS A DECEPTIVE TRADE PRACTICE PUNISHABLE BY BOTH A CIVIL FINE AND**
29 **CRIMINAL PROCEEDINGS. Owner Initials [_____] [_____]**

30 (B) **Multiple Listing Service.** No multiple listing service (including the MLS) or real estate board (including
31 Las Vegas Realtors (“LVR”) is a party to this Agreement and no multiple listing service (including the MLS) or real
32 estate board (including LVR) sets, controls, recommends or suggests the amount of compensation for any service
33 rendered pursuant to this Agreement.

Property Address _____

Property Owner _____

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Authorized Agent for Broker _____ Owner _____ Owner _____





1 **19. COMMON INTEREST COMMUNITY.** If any Property is located within a Common Interest Community (“CIC”),
 2 Owner understands and agrees that Broker is not involved in and has no control over the CIC. **OWNER**
 3 **UNDERSTANDS THAT THE CIC’S DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS**
 4 **(“CC&RS”) MAY RESTRICT THE LEASING OF ANY PROPERTY, AND IT IS OWNER’S SOLE**
 5 **RESPONSIBILITY TO DETERMINE WHETHER ANY PROPERTY IS SO AFFECTED.** Broker assumes no
 6 liability for any costs related to or arising from the termination or expiration of any tenancy. Broker assumes no liability
 7 for understanding or complying with the CC&Rs, and has no responsibility for any future amendments or additions to the
 8 CC&Rs. Owner remains solely responsible for assessments, violations and fines or fees payable to the CIC, and agrees to
 9 reimburse Broker for any such assessments, fines or fees which Broker may pay on Owner’s behalf. Any subsequent and
 10 separate notice which identifies Broker as Owner’s property manager will not affect the terms of this Section. Further,
 11 Owner shall provide copies of any CC&Rs for tenant compliance with such rules. Should Owner fail to provide current
 12 CC&Rs or copies, of same, Broker reserves the right, but shall not be obligated, to secure such CC&Rs at Owner’s
 13 expense. **Owner Initials** [_____] [_____]

14 **20. TERMINATION**

15 **(A) Termination/Expiration.** This Agreement may be terminated by Owner before the expiration date
 16 specified in Section 2(C) by written notice to Broker not less than 30 days prior to the termination date specified in such
 17 notice, together with a cancellation fee in the amount equal to the Management Fee that would accrue over the remainder
 18 of the stated term of each existing lease agreement or this Agreement, whichever is greater. For this purpose, the monthly
 19 management fee for the remainder of the stated term of the existing lease agreement shall be presumed to be the same as
 20 that of the last full calendar month prior to service of the notice of cancellation. If Owner directs Broker to transfer files
 21 and documents to a succeeding management company, Owner will pay Broker a transfer fee equal to the lesser of
 22 \$ _____ or \$ _____ per hour for the costs of copying and transfer. This Agreement may be terminated by Broker
 23 before the expiration date specified in Section 2(C) upon 30 days written notice to Owner. Within ten days after the
 24 termination date, Owner will pay Broker all monies due under this Agreement. Should this Agreement be terminated by
 25 either party prior to execution of any lease for any Property, Broker is entitled to retain the Set-Up Fee, and Owner shall
 26 reimburse Broker for the actual cost of any expenses incurred relating to or arising from the Property within ten (10) days
 27 of receipt of an accounting of said expenses. If Owner terminates this Agreement prior to the execution of any lease
 28 being offered to a tenant for any Property, Owner agrees to pay an additional cancellation fee of
 29 \$ _____.

30 **(B) Owner Responsible for Payments.** Upon termination or expiration of this Agreement, Owner shall
 31 assume the obligations of any and all contracts or outstanding costs incurred by Broker for any Property. Broker may
 32 withhold funds for thirty (30) days after the end of the month in which this Agreement is terminated or has expired in
 33 order to pay bills previously incurred but not yet invoiced and to close accounts. Broker shall deliver to Owner, within
 34 thirty (30) days after the end of the month in which this Agreement is terminated, any balance of monies due Owner or
 35 tenant security deposits, or both, which were held by the Broker with respect to each Property, as well as a final
 36 accounting reflecting the balance of income and expenses with respect to each Property as of the date of termination or
 37 withdrawal expiration. If, after termination or expiration Broker receives funds which are payable to the Owner, Broker
 38 may deduct an administration fee of \$ _____ -OR- _____ % whichever is greater, before delivering the balance of
 39 the funds to the Owner. **Owner Initials** [_____] [_____]

Property Address _____

Property Owner _____

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Authorized Agent for Broker _____ Owner _____ Owner _____





1 **(C) Leasing Fee Survives.** In addition to any other amounts payable to Broker hereunder, if Owner
 2 terminates this Agreement before the expiration date in Section 2(C) and/or before any Property is leased, and within
 3 calendar days after the termination any Property is leased to anyone with whom the Broker has had negotiations or to
 4 whom any Property was shown prior to the termination, Broker shall be paid the Leasing Fee set forth in Section 3(B).
 5 This paragraph C shall not apply if Owner enters into a valid property management agreement with another licensed real
 6 estate Broker after termination of this Agreement.

7 **21. INDEMNIFICATION SURVIVES.** All representations and warranties of the Parties contained herein shall survive
 8 the expiration or termination of this Agreement. All provisions of this Agreement that require Owner to have insured or
 9 to defend, reimburse or indemnify Broker shall survive any termination or expiration. If Broker becomes involved in any
 10 proceeding or litigation by reason of having been Owner’s Broker, such provisions shall apply as if this Agreement were
 11 still in effect.

12 **22. MISCELLANEOUS**

13 **(A) Rights Cumulative; No Waiver.** The exercise of any right or remedy provided in this Agreement shall
 14 not be an election of remedies, and each right and remedy shall be cumulative. The failure of either party to this
 15 Agreement to insist at any time upon the strict observance or performance of any of the provisions of this Agreement, or
 16 to exercise any right or remedy provided in this Agreement, shall not be construed as a waiver of such right or remedy
 17 with respect to subsequent defaults. Every right and remedy provided in this Agreement may be exercised from time to
 18 time and as often as may be deemed expedient by the party exercising such right or remedy.

19 **(B) Agreement to Mediate.** Before any legal action is taken to enforce any term or condition under this
 20 Agreement, the Parties agree to engage in mediation, a dispute resolution process, through a mediator mutually agreed
 21 upon by the Parties. Mediation fees, if any, shall be divided equally among the Parties involved. In any action or
 22 proceeding involving a dispute between the Parties arising out of this Agreement, the prevailing Party shall be entitled to
 23 receive from the other Party court costs and reasonable attorney’s fees to be determined by the court or mediator.

24 **Owner Initials** [_____] [_____] **Broker Initials** [_____] [_____]

25 **(C) Headings.** All headings and subheadings in this Agreement and in the accompanying List of Provisions
 26 are inserted only for convenience and ease of reference and are not to be considered in the construction or interpretation
 27 of any provision of this Agreement. This Agreement shall be interpreted according to the fair and common meaning of its
 28 terms and shall not be construed in favor of, or against, either of the Parties hereto by reason of the extent to which this
 29 Agreement or any such provision hereof (i) is inconsistent with any prior draft hereof or (ii) was drafted by one Party or
 30 the other to this Agreement.

31 **(D) Waiver, Modification and Amendment.** No provision of this Agreement may be waived unless in
 32 writing, signed by all of the parties hereto. Waiver of any one provision of this Agreement shall not be deemed to be a
 33 continuing waiver or a waiver of any other provision. This Agreement may be modified or amended only by a written
 34 contract executed by all of the parties hereto.

35 **(E) Assignment; Subcontracting.** Neither this Agreement nor any duties or obligations hereunder shall be
 36 assigned, transferred, or subcontracted by either Party without the prior written approval of either Party, which approval
 37 may be withheld in the sole and absolute discretion of non-assigning party.

38
 39

Property Address _____

Property Owner _____

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Authorized Agent for Broker _____ Owner _____ Owner _____





1 (F) Notices. All notices under this Agreement will be in writing and will be delivered by receipted or
2 confirmed personal service, facsimile, electronic mail, or certified mail, postage prepaid, or overnight courier to such
3 address or email address, as may be designated from time to time by the relevant Party, which initially shall be the
4 addresses set forth on the signature page to this Agreement. Any notice sent by certified mail will be deemed to have
5 been given five (5) days after the date on which it is mailed. All other notices will be deemed given when received. No
6 objection may be made to the manner of delivery of any notice actually received in writing by an authorized agent of a
7 Party.

8 (G) Partial Invalidity. If any provision of this Agreement is held by a court of competent jurisdiction to be
9 invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired
10 or invalidated in any manner.

11 (H) Publicity. Neither Party shall make any public announcement concerning this Agreement without the
12 advance approval of the other Party. Notwithstanding the foregoing, if the parties are unable to agree on a mutually
13 acceptable announcement, a Party may nevertheless issue a press release if it is advised by counsel that such release is
14 necessary to comply with applicable securities or similar laws.

15 (I) Waiver of any default, breach, or failure to perform under this Agreement is not deemed to be a waiver of
16 any subsequent default, breach, or failure of performance. In addition, waiver of any default, breach, or failure to perform
17 is not construed to be a modification of the terms of this Agreement unless reduced to writing as an amendment to this
18 Agreement.

19 23. APPLICABLE LAW. The interpretation of this Agreement shall be governed by the laws of the State of Nevada.
20 Any action arising under this Agreement shall be brought in state court in the county where the Property is located.

21 24. COMPLETE AGREEMENT. This Agreement shall be binding upon the Parties, and each of their respective heirs,
22 executors, administrators, successors and assigns. No amendment is valid unless in writing and signed by the parties.
23 There are no warranties or representations not herein contained. This Agreement sets forth the entire agreement between
24 the Parties hereto relating to the subject matters herein, and fully supersedes any and all prior agreements or
25 understanding between the Parties hereto, if any, pertaining to the subject matter hereof. This Agreement represents the
26 entire agreement between the Parties and is entered into freely and voluntarily with full knowledge and understanding of
27 the contents thereof. Further, the signers of this Agreement, and each of them, (a) represent that they have had the
28 opportunity to consult with counsel of their own choosing prior to execution of this Agreement, (b) the contents of this
29 document have been explained to them; and (c) that they sign the Agreement with the intent to be fully bound thereby.

30 25. SIGNATURES: This Agreement may be signed by the Parties manually or digitally and on more than one copy,
31 which, when taken together, each signed copy shall be read as one complete form. Facsimile signatures may be accepted
32 as original.

33
34
35
36

[This space left intentionally blank.]

Property Address _____

Property Owner _____

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1 26. ADDITIONAL TERMS:

- 2
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- 4
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- 21

22 BROKER: _____

23 Brokers license # _____ (Company Name)

24

25 By: _____

26 Authorized Agent for Broker Date

27

28 Authorized NRS 645

29 Permitted Property Manager Number: _____

30

31 By: _____

32 Broker and or Date

33 Designated Property Manager

34

Property Address _____

Property Owner _____

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EXHIBIT _____
PROPERTY INFORMATION

1
2
3
4 Owner Name: _____
5 Property Address: _____
6 _____
7 Date: _____

8 The parties hereby agree that the term of the controlling Residential Property Management Agreement is hereby extended
9 for one (1) calendar year from the date of this Property Information Form. Any and all other terms of the Residential
10 Property Management Agreement shall remain the same and in force.

11 Authorized Agent for Broker _____ Owner _____ Owner _____

12 Existing Tenant (if any):
13 Name: _____
14 Home Phone: _____
15 Work Phone: _____
16 Email: _____

17 Acceptable Rental Rate/Month: Minimum: \$ _____ Maximum: \$ _____

18 Acceptable Lease Term: Minimum _____ Years / Maximum: _____ Years

19 Will pets be considered? Yes _____ -OR- No _____ (If yes, Tenant must complete Application for Pet Approval.)

20 Any Restrictions? _____

21 Service/Emotional Animals are not considered pets.

22 Will smoking be permitted in the unit? Yes _____ -OR- No _____

23 Will Section 8 be considered? Yes _____ -OR- No _____

24 As applicable: _____

25 CBU & Mail Box Number: _____ Parking Space Number: _____

26 Gate Code: _____ Alarm Code: _____

27 Homeowner/Fire Insurance Company: _____ Policy Number: _____

28 Phone Number: _____ Policy Limits: _____

29 Broker listed as Additional Insured: Y _____ N _____

30 Additional Insurance Policy: _____ Policy Number: _____

31 Phone Number: _____ Policy Limits: _____

32 Broker listed as Additional Insured: Y _____ N _____

33 Home Warranty Company: _____ Policy Number: _____

34 Phone Number: _____

35

Property Address _____

Property Owner _____

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1 COMMON INTEREST COMMUNITY: The Property is -OR- is not located within a Common Interest Community
2 (CIC). If yes, please complete the following:

3
4 Name of CIC(s): _____
5 Management Company: _____
6 Telephone: _____ Dues: \$ _____ payable monthly -OR- quarterly
7 Owner is -OR- is not current on all dues and assessments.

8
9 Name of CIC(s): _____
10 Management Company: _____
11 Telephone: _____ Dues: \$ _____ payable monthly -OR- quarterly
12 Owner is -OR- is not current on all dues and assessments.

13
14 Inventory/Appliances Provided by Owner:
15 _____
16 _____
17 _____
18 _____
19 _____
20 _____
21 _____
22 _____
23 _____
24 _____

25 By: _____
26 Authorized Agent for Broker Date Owner Signature Date

27
28 Printed Name: _____

Property Address _____
Property Owner _____

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QUIZ

1. A Nevada real estate broker *must* maintain a trust account.
 - a. True
 - b. False

2. An owner-investor who owns a rental property with a negative cash flow, may:
 - a. might not make repairs or provide tenant services.
 - b. might not compensate you on time.
 - c. might not pay vendors.
 - d. All of the above

3. In Nevada, an exclusive property management agreement:
 - a. may be verbal although not recommended.
 - b. must contain a fixed start and end date.
 - c. may not include an “automatic renewal” language.
 - d. All of the above

4. An estate for years is lease for at least one year or more.
 - a. True
 - b. False

5. In a triple net lease, the tenant pays all of the operating expenses.
 - a. True
 - b. False

6. Market rent can be determined in much the same way as determining market value of a residential dwelling.
 - a. True
 - b. False

7. In determining market rent, the PM should put more emphasis on what units are currently commanding in rent versus what units have rented for in the past.
 - a. True
 - b. False

8. If supply stays level, and demand drops, then rents decrease.
 - a. True
 - b. False

9. A broker shall keep complete real estate transaction and property management records for at least:
 - a. 3 years
 - b. 5 years
 - c. 7 years
 - d. There is no such requirement.

10. A broker conducting PM activities, shall maintain _____ separate property management trust accounts distinct from any trust account that the real estate broker may have for other real estate transactions.