

THE Brokerage  
A REAL ESTATE FIRM®

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OWNER'S  
MANUAL

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PROPERTY MANAGEMENT

# THANK YOU

FOR CHOOSING OR  
CONSIDERING  
THE BROKERAGE,  
A REAL ESTATE FIRM®,  
TO MANAGE YOUR  
INVESTMENT PROPERTY.

## OFFICE INFORMATION

### Mailing Address:

1090 Wigwam Parkway  
Henderson, NV 89074

### Office Phone:

(702) 476-6000

### Geoffrey's Cell:

(702) 271-6868

### General Email:

[Service@thebrokeragevegas.com](mailto:Service@thebrokeragevegas.com)

### Website:

[www.thebrokerage.vegas](http://www.thebrokerage.vegas)

### Office Hours:

Mon - Fri 8 am - 5 pm  
Sat - Sun by appointment only

We are aware that you have many choices, and we appreciate that you have selected us as your property management company. THE Brokerage, A Real Estate Firm® (“THE Brokerage”) works to achieve the highest level of professionalism in property management and real estate sales. Therefore, we have prepared this Owner’s Manual to assist you in a successful business relationship with our company. We urge you to take the time to review the information enclosed. We feel this will further clarify many of the procedures for our services. After reading the material, if you have questions or any concerns, contact your Property Manager immediately, using the company contact information provided in the following pages.

## SPECIAL NOTE:

The information provided in this document is subject to change. Property owner and tenant laws, personnel, policies, and procedures change accordingly and sometimes quickly. THE Brokerage works diligently and continually to improve services and personnel training and remain current with all property owner and tenant legislation. We will strive to update this document as soon as possible.

Once again, thank you for choosing THE Brokerage, A Real Estate Firm® as your property management company. We look forward to a long and successful business relationship.

A copy of your management agreement is included with this guide. Refer to it as needed and keep it with this information for a handy reference.

# THE Brokerage

## A REAL ESTATE FIRM®

THE Brokerage, A Real Estate Firm® (“THE Brokerage”) is a full- service property management company with a several hand-selected property managers located in Henderson, NV, but serving the Greater Las Vegas Valley (Las Vegas, Henderson, Boulder City, North Las Vegas, and areas referred to as Unincorporated Clark County). THE Brokerage (NV PM Permit# 167121BKR) also offers real estate sales under the same roof (NV Broker’s License B.1002004).

### MISSION

We manage happiness by better protecting our owner’s assets and making the rental experience a better one for our tenants with our programs, pillars, and professionalism.

### PRINCIPLES

The owner of THE Brokerage is Geoffrey W. Lavell. He has been a licensed Nevada Manager since 2016 and full time sales since 2004.

**COMMUNICATION** Communication is the key to success in any personal or business relationship and our “THE Brokerage-Owner” relationship is not an exception. We work constantly to have clear and direct communications with all stakeholders: owners, tenants, applicants, vendors, buyers, sellers, and the public.

**WEBSITE** THE Brokerage stays current with business technology. Our web- site, [www.TheBrokerage.Vegas](http://www.TheBrokerage.Vegas) is an asset. Here are a few of the benefits for clients visiting our website:

- Prospective tenants can search our site for available rentals and apply online.
- We can run credit reports and background screening in a matter of minutes after the application is received and make recommendations based on the information received.
- Tenants can access our management software and make maintenance requests and communicate with their Property Manager.
- Owners can log in to their “owner’s portal” and download statements, review our published reports, and view work orders.



Communication works both ways. We need accurate and timely communication from you, the owner. It is important that you let us know of any meaningful change that can affect your account. THE Brokerage needs to know when you are moving, if you have a problem with your account, if you establish a Trust or LLC, if your social security number has changed to a Tax ID, or any other essential information. Please email us to notify us of any changes.

## E M A I L

THE Brokerage encourages all owners to use email to contact us. It is fast, effective, and documents our correspondence. Please supply us with your email address on all THE Brokerage forms. We will enter your email address in our database.

**Special Note:** When using email, we request that you put the "property address" in the subject line so the appropriate Property Manager or Staff Member can respond to your inquiry. This also helps us to identify the importance of your message and avoids oversights or errant deletions of messages.

**Owner Vacation Notice:** THE Brokerage respectfully requests that owners notify us of vacations that are three weeks or longer. Another alternative is to **update your emergency contact** listed on the Owner Information Form. The purpose of asking for this information is that we are prepared in the event of an emergency repair or major issue concerning the owner's property and/or tenant. Please notify us of this situation via email.

## O W N E R R E S P O N S I B I L I T I E S

A successful business relationship works both ways. THE Brokerage takes their management responsibilities seriously, and requests that owners do so as well.

Owner Responsibilities Are:

**Notify** THE Brokerage of any ownership change or eminent owner change for the managed property.

**Supply** us with accurate information so we can service the management account properly.

**Review** statements monthly and notify THE Brokerage of any discrepancies found as soon as possible.

**If using ACH,** check statements monthly for accurate or missing deposits and notify THE Brokerage if there are problems immediately.

**Support** Fair Housing Laws and guide lines, as well as all necessary legislation.

**Maintain** a current insurance policy for their property and name THE Brokerage as an additional insured.

**Review** your property insurance yearly and update as needed.

**Exercise** responsibility for required maintenance and the safety of your tenants.

**Treat** THE Brokerage personnel with courtesy and notify THE Brokerage principals if there are problems with THE Brokerage Property Managers or Operations staff so they can be resolved quickly.

**Let THE Brokerage** be the point person for your property and allow us to make all initial communications with tenants. You have hired us to manage your property and as much as possible we want you to allow us to do our job.

## T H E S C O P E O F P R O P E R T Y M A N A G E M E N T

The property owner(s) authorize(s) THE Brokerage Property Management to perform the following services: rental analysis, coordinating any needed minor rehabilitation to make the property rent ready, marketing, advertising, tenant screening, lease preparation, day- to-day management, lease enforcement, monthly accounting, and disbursements and annual renewals.

**Company Policies** It is critical that THE Brokerage follow all local, state, and federal legislation and guidelines. Our company takes pride in our industry, and we further implement guidelines and policies of several organizations, such as the National Association of Residential Property Managers (NARPM), the Las Vegas REALTORS®, Nevada REALTORS®, and the National Association of REALTORS®(NAR). Additionally, we train all personnel and Property Managers by requiring them to read our own Management Policy and Procedures Manual and to stay in compliance with all laws and regulations.

**Nevada Real Estate Division** The Nevada Real Estate Division (NVRED) requires all real estate professionals that conduct property management to carry an additional property management permit on their license. We maintain strict policies on Trust Account reconciliation, and we take our custody of “other people’s money” seriously.

**Drug-Free Policy** THE Brokerage has a drug-free policy for all personnel, vendors, and tenants. THE Brokerage incorporates this policy into our rental/lease agreements, tenant, personnel, and vendor documentation.

**Legislation** THE Brokerage adheres to the laws and guidelines of federal, state, and local legislation, and incorporates this into all documentation, policies, and procedures. Here are some of the agencies and acts THE Brokerage follows:

- **Fair Housing (HUD)** – THE Brokerage supports and follows Fair Housing laws and guidelines; the office displays Fair Housing signage. For this reason, we do not involve our owners in approving our tenant applicants as outlined in the management agreement.
- **Equal Opportunity** – THE Brokerage is an Equal Opportunity employer; our office displays Equal Opportunity signage.
- **SCRA Act** – Serviceman’s Civil Relief Act, which has replaced the Soldiers’ and Sailors’ Act of 1940.
- **URLTA** – Uniform Residential Landlord-Tenant Act.
- **FCRA** – Fair Credit Reporting Act
- **FTC** – Fair Trade Commission.
- **EPA** – Environmental Protection Agency.

**Lead-Based Paint** Lead-based paint became a major issue in the 1990s that prompted mandatory requirements for residential housing and continues today. THE Brokerage follows all mandated federal and state guidelines for lead-based paint. All properties prior to January 1, 1978, require disclosure to all tenants and owners.

Tenants sign lead-based paint disclosures prior to renting a property and THE Brokerage provides them with the required EPA Pamphlet, Protect Your Family from Lead in the Home. We then forward the required disclosure to the owners for signature.

Property owners and/or Property Managers must also notify tenants, in writing, of any scheduled work necessary for lead-based paint on the property. Legislation now provides that owners and managers must use certified vendors to work on lead-based paint.

**Mold Issues** THE Brokerage regards mold issues as a top priority in property management. Owners should be aware that mold is another leading issue in the property management industry and failure to act if tenants report or discover mold can lead to costly lawsuits. Several cases regarding mold have resulted in millions of dollars in damages being awarded to tenants.

**Bed Bugs** can be a significant issue, and owner(s) must disclose the existence of them and eradicate them in compliance with state law if they infest the property.

**Water Heater, Smoke Detector(s) & Carbon Monoxide Detector(s)** Nevada state law requires water heaters to be seismically strapped properly, carbon monoxide (one on each floor of the home) and smoke detectors to be installed in a manner consistent with state law. THE Brokerage will comply with these regulations.



When you enter into a management agreement, THE Brokerage establishes a software account for you and your property to track your accounting. We recognize the importance of accurately collecting and disbursing funds. The bookkeeping program used by THE Brokerage is specialized software (Appfolio®) designed to handle the many facets of property management and accurate record keeping, and complies with the requirements of NVRED.

## BANKING

THE Brokerage maintains two trust accounts with Enterprise Bank & Trust. All rents and owner reserves are in one trust account and security deposits reside in a separate account. Each owner is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. After rents are received, we deduct the management fee, outstanding invoices to vendors, and forward the owner proceeds to the bank account you have designated. All security deposits remain in this trust account. Once the tenant vacates your property, we disburse the balance of this security deposit back to the tenant within 30 days (about 4 and a half weeks) after any deductions for damage beyond normal wear and tear and other tenant caused expenses.

## MONTHLY STATEMENTS

As mentioned above, the management software we use is provided by Appfolio®. You will have access through your Owner Portal to view/print/save monthly reports. For those owners who request their monthly disbursements by paper check, we will include a printed monthly statement with their proceeds.

## DISBURSEMENT OF MONTHLY FUNDS

THE Brokerage disburses available funds to owners on or around the 8th of the month depending on holidays and weekends when banks do not operate. THE Brokerage does not disburse funds on the weekend or holidays, and we do not issue owners checks or ACH payments unless there are sufficient funds in the owner's account. It is recommended that you maintain a contingency fund in your own personal bank rent account to cover any unexpected repairs or maintenance.

THE Brokerage distributes owner funds in two ways:

1. Company check disbursed directly to the owner accompanied by their monthly statement.
2. Most commonly, when an owner uses ACH direct deposit – proceeds directly disbursed into an owner's bank account; THE Brokerage then publishes the monthly statement to your online Owner Portal. Funds are generally available in your account within 2 business days. ACH is our preferred method of paying owners.

## END OF YEAR PROCEDURES

At the end of the year, THE Brokerage is required to file 1099's for income received over \$600. You receive a 12 Month Income Statement which lists your income and expenses for the year (resending the statement or sending the statement to 3rd parties incurs a \$35 accounting fee). Please note that this amount is for "total income received," and not the yearly total of owner disbursements. The Internal Revenue Service dictates the "total

Income received" requirement, not THE Brokerage. Please note that the security deposits are not included in this amount.

It is required that you supply THE Brokerage with a W9 with the necessary Social Security/Tax ID information so the 1099 is accurate. We will send the 1099 for the rent by January 31 for the previous tax year. If there is a change in your tax information such as a new trust or address, please notify us with the Owner Change of Information form. If you need another W9 change form, please contact us.

THE Brokerage also issues 1099s for disbursements to vendors for work over \$600. Therefore, owners do not have to issue 1099s for work completed and paid through our trust account. Owners are responsible for issuing 1099s to any vendor paid through the owner's personal account.

The last statement of the year will reflect "total amounts" for income and expenses that have transpired throughout the year, such as management fees, leasing fees, landscape, utilities, repairs, and maintenance, etc. The amounts will not reflect any funds issued by you through your personal account. Owners can submit their last statement to their tax professional along with other information for income tax reporting. THE Brokerage does not issue statements to the owner's tax preparers.

## IMPORTANT NOTE REGARDING IRS REQUIREMENTS FOR END OF YEAR REPORTING

Please remember that the balance on the 12 Month Income Statement does not always match your 1099 because monies received at the end of December ("Prepaid Rent") report on your 1099 for the year it is received. For example, if your very diligent tenant prepaid their January 2023 rent in December of 2022, you will see the higher amount on your 1099 because the IRS requires it under their "Constructive Receipting" rule which you "earned" on January 1, 2020, the system will debit you the rent amount for your 2020 1099 Reporting. This is the correct way this should occur. Here is the technical answer from the IRS:

There are two concepts here, the concept of Advanced Rent

([https://www.irs.gov/publications/p527#en\\_US\\_2019\\_publink1000218965](https://www.irs.gov/publications/p527#en_US_2019_publink1000218965))

and Constructive Receipting

([https://www.irs.gov/publications/p538#en\\_US\\_201809\\_publink1000270642](https://www.irs.gov/publications/p538#en_US_201809_publink1000270642))

Advanced Rent = any payment made in advance is taxed by the IRS.

Constructive Receipting = If I receive a payment on 12/31/2020 at 11:59pm, even if it does not hit my bank account, it is taxable in the eyes of the IRS as it was made available to me at that time.

Now, if I pay you \$1000 on 12/31/2022, that would increase my 1099 value using the below formula by \$1000 for 2023.

### **NOI (Net Operating Income) + net change in prepayments = 1099 (generally)**

Now, you have been taxed on that prepayment in 2022 already. In the following year, when the prepayment is converted to income, assuming no other prepayments, you would have -\$1000 in net change for 2023. This is the net change that allows you not to get taxed again for something you already reported in the year prior.

# PREPARING TO RENT THE PROPERTY

When you have a vacancy, our goal is to attract the best possible tenant for your property. To do that:

## Preparing to Rent the Property

- We conduct a move-out evaluation of your property and determine if repairs or maintenance are required to make it “rent ready”
- We run a competitive market analysis report to make sure your rents are priced right for the market.
- We subject your property to our extensive marketing program including submitting it to our local Multiple Listing Service (MLS), syndicating it to top rental websites in your market, as well as promoting it on our website.

## Internet/Website

THE Brokerage has found that the most pervasive marketing tool to promote your property is the MLS, it sends your property out to thousands of websites nationwide. We will also use LasVegasRealtor.com, REALTOR.com, Zillow.com, Apartments.com, Homes.com, and hundreds more websites.

## Tenant Acquisition (Leasing) Fee

This fee will be 50% of the first month's rent and we offer a maximum of \$300 to the agent who refers us the tenant (included in the 50% fee). Here is what we do for that one-time fee:

- Prepare your property for the market.
- Place your property in the local MLS and other websites with professional marketing photos.
- Offer a \$250-\$300 commission to a cooperating brokerage.
- We will screen all applicants and vet them thoroughly to determine if they meet our leasing criteria.
- We will show the property to prospective tenants that contact our office to lease your property more quickly.
- THE Brokerage will prepare, review, and execute a lease agreement on your behalf based on our screening and standard office policies in compliance with local, state, and federal laws.
- We will conduct the move-in and transfer of keys.



THE Brokerage conducts showings for each vacant unit via appointments with pre-qualified applicants and via cooperative agreements with other local REALTORS®. Online applications are available on the THE Brokerage website.

## TENANT SCREENING

Thorough screening is crucial to successful property management. THE Brokerage requires all applicants to fill out a detailed application online from our website and submit it for processing and approval. A simple credit check is not enough. We conduct a careful review of their credit, verify income, conduct a background check, and seek previous property owner references. We also document the number of occupants, earliest move-in date, pets, and their motivation. Here are our minimum criteria:

- 3 times the rent in verified income for all applicants.
- A minimum credit score of 600 for the lowest applicant.
- No evictions in the past 5 years.
- No late or returned payments (“NSF”) with the previous property owner for the previous 12 months.
- We look for issues like timeliness of auto loan payments, collections, past due accounts
- Social Media posts that may demonstrate illegal behaviors or pet ownership that is inconsistent with their application

Cross-referencing all three areas – credit, tenant history and income provides the answers to qualify or disqualify prospective applicants. If a pet is allowed on the property, the screening includes the pet by requiring the applicant to register their pet with [Petscreening.com](https://www.petscreening.com).

## CO-SIGNERS

THE Brokerage normally does not accept guarantors. Our policy is that the applicants should have the ability to rent on their own merits. However, there are occasions, e.g., college-enrolled tenants, that may warrant taking a co-signer or guarantor on a property. If this is the case, THE Brokerage will notify the owner, discuss the reasons, and obtain owner authorization. We disclose to the guarantor that they are equally responsible for the lease terms.





## PETS

If an owner authorizes a pet on the premises, THE Brokerage requires the following:

- The applicant must submit their pet information to Petscreening.com and register their animal and the site requests the following information:
  - Type of Breed
  - Weight
  - Vaccination History
  - License Information
  - (If Applicable) Certification of Service/ Emotional Support Animal from a Legitimate Source
  - Based on this data, the site generates a “paw” score from 1 (worst) to 5 (best).
- We then charge the tenant a monthly fee as follows:
  - \$500 Refundable Pet Deposit
  - \$25/m/pet

Many tenants have or want pets and it is estimated that 70% of all households have a pet. It is perfectly legal for property owners to refuse pets\* and not allow them in their rental. You may wish to allow pets though, to make your property more attractive to prospective tenants. Even if a tenant wants a pet and you allow it, there are certain breeds that may be restricted by your insurance, and it would be unwise to allow on your premises. \*See Service Pets and Emotional Support Animals Section for clarity.

THE Brokerage recommends to owners that when a property is vacant on the market, pets are “negotiable.” This solves a couple of problems:

- This encourages prospective applicants to be honest and disclose any pet. Once disclosed, based on the “paw” score, and the owner/manager preference, THE Brokerage can notify the applicant that the owner does not allow that pet. If the listing says, “no pets allowed” and the applicant has a pet but also a great desire to rent your property, they may be inclined to lie (they are not going to give away their pet or worse to occupy your rental) and create an issue after they move in with their pet.
- By listing the possession of a pet as negotiable, it avoids automatically eliminating an excellent applicant that does care for their pet, has an excellent tenant history, owns a pet suitable for your property and is willing to pay a monthly fee to guarantee that pet.

SERVICE,  
COMFORT &  
EMOTIONAL  
SUPPORT  
ANIMALS

**IMPORTANT:** The above animals are not “pets” by Federal law, and owners cannot discriminate against handicapped/disabled persons with a service or emotional support animals. Fair Housing legislation does not allow owners or property managers to collect additional deposits of any kind for these animals.

However, THE Brokerage can still process applicants who are on the same criteria as other applicants: income, credit, and tenant history. If they fail to qualify in these well documented areas, THE Brokerage can still deny the application, disabled or not.

### Rent and Security Deposits

THE Brokerage does not accept cash or personal checks as “payments” at any time; we require all funds paid in full prior to taking possession of the property. It is company policy to collect one month’s rent as the security deposit for an unfurnished unit. This deposit can be increased based on the tenant screening. We require an automatic double deposit (2x monthly rent) for out of state moves or tenants who have not been at their job for at least 2 years (this does not apply if the income is “retirement income” or a military service member that received a Permanent Change of Station Order).

### Rent/Lease Agreements

At the execution of the lease, THE Brokerage will collect all move-in deposits and rents via Cashier’s Check. All persons 18 and over, including adult children, are required to complete an application and to read and sign all lease agreements, addendum, and disclosures. If the accepted applicants are a foreign nationality and cannot read and understand the documentation, they must supply an interpreter of legal age for signing the lease agreements.

### Walk-Through

A vital part of the rental agreement is a detailed walk-through documenting the condition of the property when they move-in. Unless extenuating circumstances prevail, your Property (or their assigned) completes the walk-through before the tenant takes possession of the property. Photos are taken to document the condition of the rental and any damage to the property.

### Collecting Rent

Rents are due on the 1st of the month and late if not received in the THE Brokerage office by the 4th of the month. THE Brokerage recognizes that many things can happen where it concerns timely payment of rent: rent can really be lost in the mail; employers can delay the tenant’s paycheck; there are real tenant emergencies, and more. Therefore, we do make a serious concerted effort to determine the reason the tenant is having a problem.

If THE Brokerage does not receive rent by the due date (typically the 5th of the month), we prepare and deliver a 7-Day Notice to Pay or Quit, as the law allows. THE Brokerage makes every effort, through our 3rd Party Process Server, to post notices properly should legal action be required. If THE Brokerage determines the tenant is not going to pay rent during the notice to pay or quit period, or shortly thereafter, we will pursue eviction. These costs are paid by the tenant if they get caught up and redeem themselves or taken from their deposits if they are evicted.

### Other Notices

There are other notices that may be involved with the tenants. THE Brokerage serves notices as situations warrant, such as a notice to comply with the rules and regulations of a homeowner’s association, a notice to enter the property, a notice to perform inspection or a notice to allow vendors access for necessary repairs. These tenant violations may be in the form of a certified letter or a legal notice “form.” Often these notices are simply to correct minor tenant problems and most tenants quickly comply. However, if necessary, THE Brokerage may contact the owner with the information to discuss the situation.

### Tenant Problems

THE Brokerage has years of experience handling the myriad of tenant difficulties that may occur. Our policy is to obtain good tenants which eliminates many tenant problems, however, even the most



responsible tenants have problems. THE Brokerage treats each problem with a common-sense approach, follows all property owner and tenant laws, and uses the appropriate documentation. If the situation turns serious, we will contact the owner and work to find a solution to the problem.

### Legal Action

Although THE Brokerage works diligently to avoid legal action, such as an unlawful detainer or eviction proceeding, it does happen sometimes. In the event any legal action is required, THE Brokerage will contact the owner prior to engaging attorney fees beyond the normal "notice" and "eviction" process, to discuss the situation and obtain owner authorization.

### Preventative Maintenance

The best approach to maintenance is "preventative maintenance," and this is the THE Brokerage policy.

First, THE Brokerage has already started educating the tenant by:

- Including a Lease Addendum outlining tenant responsibilities regarding maintenance as well as owner obligations.
- Complete a walk-through documenting the condition of the property before the tenant takes possession.
- Giving the tenant 10 days (about 1 and a half weeks) after move-in to bring up any issues with the property which can be immediately addressed.
- Tenants are required to participate in our Resident Benefit Package, which among many other things, provides them with the property size and quantity of HVAC filters every two months via US Mail.

We want the tenant to know from the beginning of their tenancy that the THE Brokerage property owner expectations are to "care for the property." This approach can prevent costly maintenance.

Next, we use "preventative maintenance" techniques when work is required and utilize competent contractors. Often the minor expenditures save the most money such as doorstops, new filters, checking appliances, testing smoke alarms, adjusting doors, window latches deadbolts and more. Many small repair items can prevent maintenance that is more expensive.

Consider the cost of repairs like holes behind doors clogged heaters and air conditioners, appliance problems, dry rot, safety issues and more. Then of course, there are the key issues in a home such as the roof, the exterior condition of the building, carpeting, interior and exterior paint, etc. When left to deteriorate, it usually means the owner will have to spend more in the future.

It is equally important to keep up with maintenance while the tenant occupies the property. Often people think no news is good news; this can be just the opposite. Instead, "delayed news" can become "bad and expensive news."

THE Brokerage's maintenance team contacts owners regarding maintenance above the minimum that is listed in the management contract, unless the situation is an emergency.

### Emergencies/Disaster

When an emergency and/or disaster strikes, THE Brokerage has policies in place for the property and tenants. We notify the property owner as soon as practical. The nature of the emergency and/or disaster determines the action needed by THE Brokerage.

There are times when a property manager must "act" quickly to prevent great financial risk to the owner or safety/habitability issues for the tenant. For example, when a property is flooding, appropriate action is necessary. Insurance companies require that we take immediate steps to mitigate damage to the home without obtaining prior authorization from the insurance company.

## Notice to Vacate

When there is a notice to vacate, the move out procedures with tenants are as critical as when THE Brokerage moves in a tenant. The preparation for this really began when the tenant moved in with a detailed lease agreement, Move-Out Instructions, and walk-through. All these documents gave instructions to the tenant on how to move out. We believe that in setting our tenants up for success in receiving their deposits back in full, we are really setting our owners up for a quick turn time to get back on the market for a new tenant!

## Communication with Owners and Tenants

It is critical that THE Brokerage follow a standardized renewal and/or notice to vacate, so here is the process:

- Approximately 90 days (about 3 months) prior to the lease expiration the owner is contacted and asked two questions:
  - Does the owner want to keep rents as-is or do they want to increase rents based on the comparable data we provide?
  - We evaluate the tenant cooperation, cleanliness, timely payment of rents, etc. to determine if they are eligible for renewal.
- Each year we will visit the home to personally view the interior and inquire about any issues which may have "slipped the tenant's mind" during the rest of the year. It is at this inspection we determine:
  - Is the property in adequate condition and merits allowing the tenant to renew the lease? and;
  - Is the tenant interested in renewing the lease?
- The Property Manager reports back to the owner. If the property is in poor condition or the tenant has not abided by the terms of the lease (there are pets or additional residents) the Manager sends a notice to vacate at expiration of lease. Otherwise, they discuss any increase in rent or change in terms and the Manager draws up an addendum

- No later than 60-days prior to the expiration of the lease, the tenant is sent 60 Day Notice Change Of Terms as required by Nevada Law. This will increase the rent/utilities, amend any lease terms to comply with new Nevada Laws and extend the lease term for another year.

Once the owner decides to secure a new tenant, THE Brokerage will immediately place the property on the market to rent unless the owner notifies us to take other measures. THE Brokerage also responds to the tenant notice with a move-out check list to complete a successful move. Rent is required until the end of the notice unless otherwise stated in the lease agreement.

## Tenant Move Out

THE Brokerage conducts a walk-through like the one performed when the tenant moved into the property. We record any maintenance required and disclose a list of damages to the vacating tenant. Photographs are taken when the tenant moves out to document the condition of the property and support any deductions from the security deposit. After assessment of the tenant move out, THE Brokerage advises owners of any tenant damages, or any maintenance required to re-rent the property.

## Security Deposit Refunds

Proper handling of the security deposit is crucial. Any tenant deductions are determined in a timely manner, and a security deposit transmittal is prepared in accordance with state laws. Charges assessed against the tenant deposits are paid out by our office directly to the vendor that completed the appropriate repairs.

## Collections

If collecting damages is required, THE Brokerage will refer the matter to a qualified consumer collection service at the instruction and authorization of the owner. Your agreement with THE Brokerage does not include recovering tenant damages but leaves this to companies with expertise in debt collection. THE Brokerage will supply consumer collection companies with the necessary documentation needed.

## OWNER FEES

THE Brokerage strives to keep our fees fair and reasonable and does not seek to “nickel and dime” our owners. Here is a list of all fees we may potentially charge our owners:

**Base Management** – Your management fee will be stated in your management agreement

**Tenant Acquisition** – For single family homes, condominiums, and townhomes, we charge 50% of the first month’s rent as tenant Leasing Fee. For this fee we do the following:

- Prepare your rental for the market
- Advertise your property on the MLS
- Offer a commission to the agent who represents the tenant
- Show your property to prospective tenants
- Screen all applicants
- Execute the contract
- Conduct the move-in
- Document the condition of your property

**50% of Late Fee** – If the tenant is late but pays within the allowed time, we charge 5% of the monthly rent as a late fee, retain 50% of that fee and forward the balance to you.

**Tax Preparation** – Every year we provide you with reports that will assist you with filing your taxes to report your income and expenses for the previous year. Our Property Managers and Staff are not licensed to provide any tax or legal advice and cannot make suggestions about your specific tax situation.

**Contract Close Out** – If you choose to terminate our services, which you can do at any time, we charge the remainder of the management fees for the remainder of the lease term as well as a \$300 Early Termination Fee. If you terminate the agreement at the expiration of the management agreement, there is no fee to terminate.

**Home Warranty Coordination** – Home warranties can help offset the costs of repairs, but they require a lot more work by our staff to coordinate repairs as they require in-network vendors and special timing. If an owner wishes to keep a home warranty in effect, we charge \$175 annually to coordinate repairs with the home warranty company’s vendors.

**Eviction Assistance**– If the tenant needs to be evicted, contests the eviction, and we must appear in court on your behalf, we charge \$75 per hour to deal with the case (travel to and from court, time in the courthouse, and appearing in front of the judge).

**Work “Outside the Scope”** – If you request us to assist you for work not included in our contract, e.g., meeting an appraiser, meeting an association representative, etc., we charge \$75 an hour (with a \$75 minimum) for such work.

**Preventative Maintenance Program** – Some owners want more than one annual inspection, so for \$75 we will conduct a mid-term inspection and provide a report to the owner.

**Tenant Transfer** – We charge \$100 to transfer an existing tenant to our system and review the lease, inspect the property, on-board the tenant.

**Non-Standard Owner Bill Payment** – We typically do not pay your property taxes or insurance premiums. If you request that we pay any of these bills, we charge \$35 per month.

## TENANT FEES

All our potential tenant fees are presented to them in our lease agreement and represent additional work performed on their behalf.

It is the goal of THE Brokerage to satisfy completely your management needs and engage in a successful business relationship, but circumstances can change over time. Owners sell properties or re-occupy the property, and sometimes owners give notice to terminate the contract. If this happens, the THE Brokerage cancellation policy is to resolve your account in a professional, timely, and pleasant manner.

***Please review the following policies for cancellation.***

### **Written Notice**

The owner must provide written notice via mail or e-mail.

### **Notice to Current Tenants**

THE Brokerage will notify current tenants of the date we will no longer manage the property and that we will forward all security deposits to the next property manager or to the owner with tenant written consent.

It is the owner's responsibility to advise the tenants where to make future rental payments and work requests after the notice period.

All optional owner and tenant programs will not be in effect after the cancellation date.

### **Distribution of Documents**

THE Brokerage will supply current tenant documentation to the owner.

If the owner has employed new management, it is the owner's responsibility to instruct them to pick up documents, keys, and any other necessary materials at the THE Brokerage office.

### **Final Distribution of Funds**

THE Brokerage will distribute funds, including security deposits, and final statements to the owner within 10 days (about 1 and a half weeks) of the terminating date of management, as agreed in the management contract.

THE Brokerage will retain a \$300 Contract Close Out fee and remaining management

funds from the remainder of the lease. THE Brokerage will issue a 1099 for funds collected during the current tax year when the tax year ends.

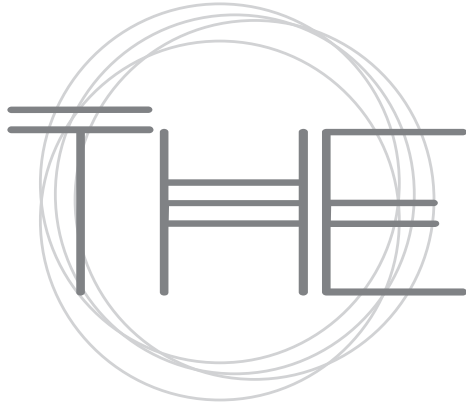
### **Conclusion**

We hope you have found this guide informative and useful. If there is anything we can do to improve the guide, please let us know.

Again, we thank you for your business and we look forward to a successful management relationship.

THE Brokerage  
A REAL ESTATE FIRM®





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Sat *thru* Sun : by appointment only