

# Session 8 – Disclosures/Advertising

---

After the attendance records, quiz and evaluation have been reviewed by the school admissions office, the certificate associated with the seminar will be posted to the student dashboard at [www.KeyRealtySchool.net](http://www.KeyRealtySchool.net)

Certificates are traditionally posted to the student dashboard at 2PM PST the next business day.

# The most violated statutes and codes as evident by recent disciplinary cases:

---

In review of recent disciplinary actions, certain statutes and codes are more commonly violated than other statutes and codes. NRS 645.252 and NAC 645.600 have been highlighted below wherein in case files have also been used as example.

Evaluation of NRS 645.252 –

Most disciplinary actions involving NRS 645.252 stem from section 1A and in particular, the statement “Should have known.”

Though one can concede that it is virtually impossible to know everything, wherein should have known, using 3<sup>rd</sup> party licensed professionals to work with specific areas relating to property condition, accounting and valuation is continually recommended. Failure or “Waiver” of said contracted services can not only hurt the client but can also imply evidence of violation with the confines of 645.252.

NRS 645.252 Duties of licensee acting as agent in real estate transaction. A licensee who acts as an agent in a real estate transaction:

1. Shall disclose to each party to the real estate transaction as soon as is practicable:

- (a) Any material and relevant facts, data or information which the licensee knows, or which by the exercise of reasonable care and diligence **should have known**, relating to the property which is the subject of the transaction.

- (b) Each source from which the licensee will receive compensation as a result of the transaction.

- (c) That the licensee is a principal to the transaction or has an interest in a principal to the transaction.

- (d) Except as otherwise provided in NRS 645.253, that the licensee is acting for more than one party to the transaction. If a licensee makes such a disclosure, he or she must obtain the written consent of each party to the transaction for whom the licensee is acting before he or she may continue to act in his or her capacity as an agent. The written consent must include:

- (1) A description of the real estate transaction.

- (2) A statement that the licensee is acting for two or more parties to the transaction who have adverse interests and that in acting for these parties, the licensee has a conflict of interest.

(3) A statement that the licensee will not disclose any confidential information for 1 year after the revocation or termination of any brokerage agreement entered into with a party to the transaction, unless he or she is required to do so by a court of competent jurisdiction or is given written permission to do so by that party.

(4) A statement that a party is not required to consent to the licensee acting on behalf of the party.

(5) A statement that the party is giving consent without coercion and understands the terms of the consent given.

(e) Any changes in the licensee's relationship to a party to the transaction.

2. Shall exercise reasonable skill and care with respect to all parties to the real estate transaction.

3. Shall provide the appropriate form prepared by the Division pursuant to NRS 645.193 to:

(a) Each party for whom the licensee is acting as an agent in the real estate transaction; and

(b) Each unrepresented party to the real estate transaction, if any.

4. Unless otherwise agreed upon in writing, owes no duty to:

(a) Independently verify the accuracy of a statement made by an inspector certified pursuant to chapter 645D of NRS or another appropriate licensed or certified expert.

(b) Conduct an independent inspection of the financial condition of a party to the real estate transaction.

(c) Conduct an investigation of the condition of the property which is the subject of the real estate transaction.

(Added to NRS by 1995, 2072; A 2001, 2892; 2005, 649; 2007, 1788)

## Evaluation of NAC 645.600

Most disciplinary actions involving NAC 645.600 stem from section 1 and in particular, the statement “supervise the activities of those licensees, the activities of his or her employees and the operation of his or her business.” This statement has been the crutch to fault most brokerages when a licensee is acting outside of their scope of expertise or conducting business in any methods determined to be detrimental to the profession. Larger brokerages are especially vulnerable to this code wherein it is unrealistic to fulfill complete supervision by one broker to hundreds or thousands of licensees.

NAC 645.600 Responsibilities of broker regarding associated licensees, employees and operation of business; agreement to retain licensee as independent contractor. (NRS 645.050, 645.190)

1. Every real estate broker shall teach the licensees associated with him or her the fundamentals of real estate or time-share practice, or both, and the ethics of the profession. The broker shall **supervise the activities of those licensees, the activities of his or her employees and the operation of his or her business.**

2. The supervision described in subsection 1 includes, without limitation, the establishment of policies, rules, procedures and systems that allow the real estate broker to review, oversee and manage:

(a) The real estate transactions performed by a licensee who is associated with the real estate broker;

(b) Documents that may have a material effect upon the rights or obligations of a party to such a real estate transaction;

(c) The filing, storage and maintenance of such documents;

(d) The handling of money received on behalf of a real estate broker;

(e) The advertising of any service for which a real estate license is required; and

(f) The familiarization by the licensee of the requirements of federal and state law governing real estate transactions, including, without limitation, prohibitions against discrimination.

3. In establishing such policies, rules, procedures and systems, the real estate broker shall consider the number of licensees associated with the real estate broker, the number of employees employed by the real estate broker and the number and location of branch offices operated by the real estate broker.

4. A real estate broker shall establish a system for monitoring compliance with such policies, rules, procedures and systems. The real estate broker may use a real estate broker-salesperson to assist in administering the provisions of this section so long as the real estate

broker does not relinquish overall responsibility for the supervision of the acts of the licensees associated with the real estate broker.

5. A real estate broker may enter into a written agreement with each licensee associated with the real estate broker to retain the licensee as an independent contractor. If such an agreement is entered into, it must:

(a) Be signed and dated by the real estate broker and the licensee; and

(b) Include the material aspects of the relationship between the real estate broker and the licensee, including, without limitation, the supervision by the real estate broker of the activities of the licensee for which a real estate license is required.

[Real Estate Adv. Comm'n, § VII subsec. 1, eff. 10-31-75] — (NAC A by Real Estate Comm'n, 4-27-84; R111-01, 12-17-2001; R031-04, 11-30-2004)

**REAL ESTATE DIVISION**[realest@red.state.nv.us](mailto:realest@red.state.nv.us)<http://red.nv.gov/>**BUSINESS BROKERS****What is a Business Broker?**

According to the legislative history of Senate Bill 315 from the 73rd Session of the Nevada Legislature, the proposed business broker permit was intended for real estate licensees in conjunction with the sale, lease, exchange, purchase, or option of real estate. Senate Bill 315 did not create a new licensing requirement for individuals who broker businesses which do not have a real estate component to the transaction.

“Business broker” means a person who, while acting for another and for compensation or with the intention or expectation of receiving compensation: 1. Sells, exchanges, options, purchases, rents or leases a business that is sold, exchanged, optioned, purchased, rented or leased as part of an interest or estate in real property; 2. Negotiates or offers, attempts or agrees to negotiate the sale, exchange, option, purchase, rental or lease of a business that is or is intended to be sold, exchanged, optioned, purchased, rented or leased as part of an interest or estate in real property; or 3. Lists or solicits prospective purchasers of a business if a component of the listing or solicitation is an interest or estate in real property. NRS 645.0075.

Whereas, a Real Estate Broker means a person who, for another and for compensation or with the intention or expectation of receiving compensation: (a) Sells, exchanges, options, purchases, rents or leases, or negotiates or offers, attempts or agrees to negotiate the sale, exchange, option, purchase, rental or lease of, or lists or solicits prospective purchasers, lessees or renters of, any real estate or the improvements thereon or any modular homes, used manufactured homes, used mobile homes or other housing offered or conveyed with any interest in real estate; (b) Engages in or offers to engage in the business of claiming, demanding, charging, receiving, collecting or contracting for the collection of an advance fee in connection with any employment undertaken to promote the sale or lease of business opportunities or real estate by advance fee listing advertising or other offerings to sell, lease, exchange or rent property; (c) Engages in or offers to engage in the business of property management; or (d) Engages in or offers to engage in the business of business brokerage.

**What activities may a licensed real estate agent perform?**

A real estate licensee need not obtain a Business Broker Permit to represent a party to a purchase or sale of a business within the State of Nevada if there is not a real estate component involved in the sale or purchase. A real estate component includes, but is not limited to, a building, land or a leasehold interest.

### **What activities must be performed by one who holds a Business Broker Permit?**

If a part of the sale of a business requires the assumption of an existing lease or the purchase of a building, then that transaction requires a Real Estate License and Business Broker Permit in the State of Nevada. An example of a business sale that would not require Nevada Real Estate Licensure would be a dental practice including only dental equipment, patient files and a patient list.

### **What actions may be taken if unlicensed business broker activities are conducted which require a license?**

It is unlawful for any person, limited-liability company, partnership, association or corporation to engage in the business of, act in the capacity of, advertise or assume to act as, a (a) Real estate broker, real estate broker-salesman or real estate salesman within the State of Nevada without first obtaining the appropriate license from the Real Estate Division as provided for in this chapter; and (d) Business broker within the State of Nevada without first obtaining from the Real Estate Division as provided for in this chapter a license as a real estate broker, real estate broker-salesman or real estate salesman and a permit to engage in business as a business broker. NRS 645.230.

The Real Estate Commission may impose an administrative fine against any person who knowingly: (a) Engages or offers to engage in any activity for which a license, permit, certificate or registration or any type of authorization or any regulation if the person does not hold the required license, permit, certificate or registration or has not been given the required authorization; or (b) Assists or offers to assist another person to commit the above described violation. The Commission may impose an administrative fine in the amount of any gain or economic benefit that the person derived from the violation or \$5,000, whichever amount is greater. NRS 645.235.

To view the applicable statutes and regulations in their entirety, visit our website at <http://red.nv.gov/>.

12/05/08 (Revised 03/03/15)

DEPARTMENT OF BUSINESS AND INDUSTRY  
**REAL ESTATE DIVISION**

[realest@red.state.nv.us](mailto:realest@red.state.nv.us)

[www.red.state.nv.us](http://www.red.state.nv.us)

## UNLICENSED ASSISTANTS / VIRTUAL ASSISTANTS

What is an unlicensed assistant?

An unlicensed assistant is someone who performs **administrative** tasks indirectly related to real estate transactions. Although many of the activities which take place in a real estate brokerage office require a license, common sense dictates that many administrative support activities can be legally conducted in a real estate brokerage office that do not require licensure. There may sometimes exist only a thin line between activities that require licensure and those that do not. **Administrative** tasks are activities which are indirectly related to activities performed by a real estate licensee. Unlicensed assistants may perform **administrative** support activities.

What is a virtual assistant?

A virtual assistant is an independent person who offers business support services in a virtual environment. With the growth of the internet, changing demographics, corporate downsizing, and the evolution of telecommuting relationships, the concept of virtual assistants has flourished.

What MAY an unlicensed assistant / virtual assistant do?

The following is a list of **administrative** functions which may be performed by an unlicensed assistant ***under the direction of a licensee and supervising broker***:

- Answer phones, forward calls to or take messages for licensees.
- Transmit listings and changes to a multiple listing service.
- Follow up on **administrative** aspects of loan commitments ***after*** a contract has been negotiated by a licensee.
- Draft and assemble transaction documents, draft correspondence, do office filing, develop and maintain mailing lists, and perform other clerical duties for a licensee.
- Research, secure documents, make and deliver copies from public records.
- Have keys made for company listings.
- Act as a courier service to deliver documents, pick up keys, etc.
- Write and prepare newsletters, advertising, flyers, and promotional information and place such advertising after approval by licensee and supervising broker. ***Remember: NRS 645.315 requires that ALL advertising must be done under the direct supervision of and in the name of the brokerage.***
- Perform bookkeeping, record and deposit trust funds under direction of the broker.
- Monitor licenses and personnel files.
- Place and/or remove signs on property.
- Accept rental payments and issue receipts at the broker's place of business.
- Witness signatures.
- Schedule routine inspections and arrange for routine repairs on property.

What activities CANNOT be performed by an unlicensed assistant / virtual assistant?

An unlicensed assistant **CANNOT**:

- Meet with clients to obtain or renew brokerage agreements or property management agreements.

*(continued on page 2)*

DEPARTMENT OF BUSINESS AND INDUSTRY  
**REAL ESTATE DIVISION**

[realest@red.state.nv.us](mailto:realest@red.state.nv.us)

[www.red.state.nv.us](http://www.red.state.nv.us)

**UNLICENSED ASSISTANTS / VIRTUAL ASSISTANTS**

*(continued from page 1)*

What activities CANNOT be performed by an unlicensed assistant / virtual assistant?

An unlicensed assistant **CANNOT**:

- Negotiate or agree to any commission, commission split, management fee or referral fee on behalf of a licensee or receive a referral fee from a licensee.
- Provide advice or guidance to a client or consumer regarding a real estate contract, brokerage agreement, property management agreement, title, financing, closing or other real estate document.
- Show property or provide clients or consumers information on listings.
- Answer any questions about a listing, including asking price, square footage, age of structure.
- Give listing presentations, interview buyers or present or negotiate offers.
- Contact or solicit prospective sellers or buyers, landlords or tenants, including scheduling appointments as a result of a telemarketing survey asking any of those parties if they would like to speak with a licensee about their real estate questions.

May an unlicensed assistant host an open house?

Yes, but care must be taken that the unlicensed assistant does not show the property to prospective purchasers. That means an unlicensed assistant may welcome visitors, hand-out brochures prepared by the licensee and serve refreshments at an open house, but all inquiries about the listing must be referred to a licensee. The host must NOT point out features of the home or neighborhood to visitors, but may distribute flyers or brochures prepared by a licensee that describe the property. The same rules for what an unlicensed assistant can and cannot do apply to hosting an open house.

What are the broker's responsibilities regarding unlicensed assistants?

Brokers who employ unlicensed assistants or whose licensed associates are using unlicensed personal assistants, are responsible for assuring that such unlicensed persons are not involved in activities which require a license.

Brokers should establish guidelines for the use of unlicensed persons and procedures for monitoring their activities. It is the responsibility of the employing broker to assure that unlicensed assistants, either directly employed by the broker or employed by a licensee, are not acting improperly (NAC 645.600).

What actions may be taken if an unlicensed assistant conducts activities which require a license?

In addition to any other remedy or penalty, the Real Estate Commission may impose an administrative fine against any unlicensed person who knowingly engages in any activity for which a license, permit, certificate, registration or authorization is required. The Commission may also impose an administrative fine against any person who knowingly assists an unlicensed person to engage in any activity for which a license, permit, certificate, registration or authorization is required. The amount of the fine may not exceed the amount of any gain or economic benefit that the person derived from the violation or \$5,000.00, whichever amount is greater (NRS 645.235).

DEPARTMENT OF BUSINESS AND INDUSTRY  
**REAL ESTATE DIVISION**

[realest@red.nv.gov](mailto:realest@red.nv.gov)      [red.nv.gov](http://red.nv.gov)

## **THE DUTIES OWED FORM 525 FREQUENTLY ASKED QUESTIONS**

**The *Duties Owed* form (Form 525)** REVISED 11/07/16: The purpose of this form is the disclosure of the licensees' duties to both the clients and the public. Providing the form is a requirement under NRS 645.252 3. **THE FORM IS A DISCLOSURE AND DOES NOT CREATE AN AGENCY RELATIONSHIP.**

**The *Supplemental List of Licensees* (Form 525A):** This additional page was added with the 11/07/16 revision. It should be used when a team or a team's licensed assistants will be working on a transaction file.

### **Who should sign the *Duties Owed* form?**

The Real Estate Division suggests that a single "Duties Owed" form be signed by each party to the transaction. The intent is to provide and assure that each of the parties has been provided the Duties. It is not necessary to provide two or more duplicates of the same disclosure. This means that the listing agent should have the seller's signed disclosure form in the listing and transaction files and the buyer's agent should have the buyer's signed form in the buyer transaction files. However, if there is an unrepresented party to the transaction, the sole agent in the transaction should have a disclosure form signed by both the client and unrepresented party to the transaction as evidence of the disclosure to both parties. (See unrepresented parties below.)

### **Is the licensee responsible for providing the *Duties Owed* form to unrepresented parties?**

Yes. If you are acting as an agent in a real estate transaction in Nevada, even if you are a Nevada licensed real estate agent representing yourself as a principal in the transaction, you are required to provide the other party in the transaction with the form when the other party is not represented by a Nevada real estate licensee. It is required that you include a signed copy of the form in the broker transaction file.

### **When must I have the *Duties Owed* form signed?**

Regulation (NAC 645.637) clearly states that the "Duties" must be disclosed "as soon as practicable but no later than the date and time on which any written document is signed by the client or any party not represented by the licensee, or both". "Any written document" would include a listing agreement, purchase agreement, lease agreement, property management agreement, letter of intent, and buyer brokerage agreements.

**What about confirmation of representation?**

NAC 645.637 also requires the disclosure to be “...confirmed in a separate provision incorporated in or attached to that document”. Some written agreements, i.e., purchase agreements, listing agreements, lease agreements, buyer brokerage agreements, etc. contain the confirmation of representation. When the confirmation is not contained in a written agreement, then you will need to include a separate document for the confirmation of representation disclosure.

**What if there is a possibility of an agent representing both parties in the transaction?**

The acknowledgement of possibly acting as an agent representing both parties in the transaction is located in the last paragraph above the client/customer’s signature block on the *Duties Owed* form.

If the agent will be representing both parties, then a *Consent to Act* form (Form 524) would have to be completed and signed by the parties prior to representing both parties in the real estate transaction.

**Where do I get the current revision of the *Duties Owed* form?**

All Division forms are available online at <http://red.nv.gov>. Position your mouse onto *Forms* to open the drop-down menu, and then click on *Disclosure*. Select the *Duties Owed* form.

For further information please contact the Division’s Real Estate Enforcement Section in Carson City at 775- 684-1900 or Las Vegas at 702-486-4324 or e-mail [realest@red.nv.gov](mailto:realest@red.nv.gov).

12/01/2017

Compiled by Jan Holle, Chief Investigator, Real Estate Enforcement Section, Real Estate Division with input from Neil Schwartz, Real Estate Commissioner, and JC Melvin, Broker, Keller Williams Realty Southwest 12/01/2017



**DEPARTMENT OF BUSINESS AND INDUSTRY  
REAL ESTATE DIVISION**  
[www.red.state.nv.us](http://www.red.state.nv.us)

**MULTIPLE REPRESENTATION IN REAL ESTATE TRANSACTIONS IN NEVADA**

This statement concerns any and all reference to dual agency in courses approved for continuing education credits by the Nevada Real Estate Commission or the Education Sub-Committee of the Nevada Real Estate Commission.

Dual agency is a common law term. In 1995 NRS 645.251 abrogated the common law setting forth that "a licensee is not required to comply with any principles of common law that may otherwise apply to any of the duties of a licensee as set forth in NRS 645.252, 645.253, and 645.254 and the regulations adopted to carry out those sections."

Thus, the prevailing law in Nevada regarding agency duties of a licensee is STATUTORY. The term "dual agency" is not used anywhere in NRS 645.

NRS 645.252.1.(d) requires that the representation of more than one party in a real estate transaction may only be undertaken upon licensee's full disclosure to each party that he/she is acting for more than one party in that transaction and with each party's subsequent consent to the multiple representation in writing.

Education Section  
Real Estate Division

## CONSENT TO ACT

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

**DESCRIPTION OF TRANSACTION:** The real estate transaction is the ☐ sale and purchase; or ☐ lease; of

**Property Address:** \_\_\_\_\_  
\_\_\_\_\_

In Nevada, a real estate licensee may act for more than one party in a real estate transaction however, before the licensee does so, he or she must obtain the written consent of each party. This form is that consent. Before you consent to having a licensee represent both yourself and the other party, you should read this form and understand it.

**Licensee:** The licensee in this real estate transaction is \_\_\_\_\_ (“Licensee”) whose  
license number is \_\_\_\_\_ and who is affiliated with \_\_\_\_\_ (“Brokerage”).

**Seller/Landlord** \_\_\_\_\_  
Print Name

**Buyer/Tenant** \_\_\_\_\_  
Print Name

**CONFLICT OF INTEREST:** A licensee in a real estate transaction may legally act for two or more parties who have interests adverse to each other. In acting for these parties, the licensee has a conflict of interest.

**DISCLOSURE OF CONFIDENTIAL INFORMATION:** Licensee will not disclose any confidential information for 1 year after the revocation or termination of any brokerage agreement entered into with a party to this transaction, unless Licensee is required to do so by a court of competent jurisdiction or is given written permission to do so by that party. Confidential information includes, but is not limited to, the client’s motivation to purchase, trade or sell, which if disclosed, could harm one party’s bargaining position or benefit the other.

**DUTIES OF LICENSEE:** Licensee shall provide you with a “Duties Owed by a Nevada Real Estate Licensee” disclosure form which lists the duties a licensee owes to all parties of a real estate transaction, and those owed to the licensee’s client. When representing both parties, the licensee owes the same duties to both seller and buyer. Licensee shall disclose to both Seller and Buyer all known defects in the property, any matter that must be disclosed by law, and any information the licensee believes may be material or might affect Seller’s/Landlord’s or Buyer’s/Tenant’s decisions with respect to this transaction.

**NO REQUIREMENT TO CONSENT:** You are not required to consent to this licensee acting on your behalf. You may

- Reject this consent and obtain your own agent,
- Represent yourself,
- Request that the licensee’s broker assign you your own licensee.

### CONFIRMATION OF DISCLOSURE AND INFORMATION CONSENT

**BY MY SIGNATURE BELOW, I UNDERSTAND AND CONSENT:** I am giving my consent to have the above identified licensee act for both the other party and me. By signing below, I acknowledge that I understand the ramifications of this consent, and that I acknowledge that I am giving this consent without coercion.

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

## DUTIES OWED BY A NEVADA REAL ESTATE LICENSEE

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

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

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

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

**Broker:** The broker is \_\_\_\_\_, whose company is \_\_\_\_\_.

**Are there additional licensees involved in this transaction?** ☐ Yes ☐ No **If yes, Supplemental form 525A is required.**

### Licensee's Duties Owed to All Parties:

A Nevada real estate licensee shall:

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

### Licensee's Duties Owed to the Client:

A Nevada real estate licensee shall:

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

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

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

### Licensee Acting for Both Parties:

The Licensee

MAY [\_\_\_\_\_] / [\_\_\_\_\_] **OR** MAY NOT [\_\_\_\_\_] / [\_\_\_\_\_]

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

**I/We acknowledge receipt of a copy of this list of licensee duties, and have read and understand this disclosure.**

*Seller/Landlord:* \_\_\_\_\_ *Date:* \_\_\_\_\_ *Time:* \_\_\_\_\_

*Seller/Landlord:* \_\_\_\_\_ *Date:* \_\_\_\_\_ *Time:* \_\_\_\_\_

**OR**

*Buyer/Tenant:* \_\_\_\_\_ *Date:* \_\_\_\_\_ *Time:* \_\_\_\_\_

*Buyer/Tenant:* \_\_\_\_\_ *Date:* \_\_\_\_\_ *Time:* \_\_\_\_\_

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

Broker: \_\_\_\_\_

**LICENSE NUMBER**This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

Buyer/Tenant: \_\_\_\_\_ Date: \_\_\_\_\_ Time: \_\_\_\_\_

## SELLER'S REAL PROPERTY DISCLOSURE FORM

In accordance with Nevada Law, a seller of residential real property in Nevada must disclose any and all known conditions and aspects of the property which materially affect the value or use of residential property in an adverse manner (*see NRS 113.130 and 113.140*).

Date \_\_\_\_\_ Do you currently occupy or have you ever occupied this property? YES  
☐ NO  
☐

Property address \_\_\_\_\_

Effective October 1, 2011: A purchaser may not waive the requirement to provide this form and a seller may not require a purchaser to waive this form. (*NRS 113.130(3)*)

Type of Seller: ☐ Bank (financial institution); ☐ Asset Management Company; ☐ Owner-occupier; ☐ Other: \_\_\_\_\_

**Purpose of Statement:** (1) This statement is a disclosure of the condition of the property in compliance with the Seller Real Property Disclosure Act, effective January 1, 1996. (2) This statement is a disclosure of the condition and information concerning the property known by the Seller which materially affects the value of the property. Unless otherwise advised, the Seller does not possess any expertise in construction, architecture, engineering or any other specific area related to the construction or condition of the improvements on the property or the land. Also, unless otherwise advised, the Seller has not conducted any inspection of generally inaccessible areas such as the foundation or roof. This statement is not a warranty of any kind by the Seller or by any Agent representing the Seller in this transaction and is not a substitute for any inspections or warranties the Buyer may wish to obtain. Systems and appliances addressed on this form by the seller are not part of the contractual agreement as to the inclusion of any system or appliance as part of the binding agreement.

**Instructions to the Seller:** (1) ANSWER ALL QUESTIONS. (2) REPORT KNOWN CONDITIONS AFFECTING THE PROPERTY. (3) ATTACH ADDITIONAL PAGES WITH YOUR SIGNATURE IF ADDITIONAL SPACE IS REQUIRED. (4) COMPLETE THIS FORM YOURSELF. (5) IF SOME ITEMS DO NOT APPLY TO YOUR PROPERTY, CHECK N/A (NOT APPLICABLE). EFFECTIVE JANUARY 1, 1996, FAILURE TO PROVIDE A PURCHASER WITH A SIGNED DISCLOSURE STATEMENT WILL ENABLE THE PURCHASER TO TERMINATE AN OTHERWISE BINDING PURCHASE AGREEMENT AND SEEK OTHER REMEDIES AS PROVIDED BY THE LAW (*see NRS 113.150*).

**Systems / Appliances:** Are you aware of any problems and/or defects with any of the following:

	<u>YES</u>	<u>NO</u>	<u>N/A</u>		<u>YES</u>	<u>NO</u>	<u>N/A</u>
Electrical System .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Shower(s) .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Plumbing.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sink(s) .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sewer System & line.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sauna / hot tub(s).....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Septic tank & leach field.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Built-in microwave .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Well & pump .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Range / oven / hood-fan.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Yard sprinkler system(s) .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Dishwasher .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fountain(s) .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Garbage disposal .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Heating system.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Trash compactor.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cooling system .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Central vacuum.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Solar heating system .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Alarm system.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fireplace & chimney.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	owned.. <input type="checkbox"/> leased.. <input type="checkbox"/>			
Wood burning system .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Smoke detector .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Garage door opener. ....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Intercom .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Water treatment system(s) .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Data Communication line(s)...	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
owned.. <input type="checkbox"/> leased.. <input type="checkbox"/>				Satellite dish(es) .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Water heater.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	owned.. <input type="checkbox"/> leased.. <input type="checkbox"/>			
Toilet(s) .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Other.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bathtub(s) .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

**EXPLANATIONS:** Any "Yes" must be fully explained on page 3 of this form.

\_\_\_\_\_  
Seller(s) Initials

\_\_\_\_\_  
Buyer(s) Initials

**Property conditions, improvements and additional information:** ..... **YES** **NO** **N/A**

Are you **aware** of any of the following?:

**1. Structure:**

- (a) Previous or current moisture conditions and/or water damage? ..... ☐ ☐
- (b) Any structural defect? ..... ☐ ☐
- (c) Any construction, modification, alterations, or repairs made without required state, city or county building permits? ..... ☐ ☐
- (d) Whether the property is or has been the subject of a claim governed by NRS 40.600 to 40.695 (construction defect claims)? ..... ☐ ☐
- (If seller answers yes, FURTHER DISCLOSURE IS REQUIRED)

**2. Land / Foundation:**

- (a) Any of the improvements being located on unstable or expansive soil? ..... ☐ ☐
- (b) Any foundation sliding, settling, movement, upheaval, or earth stability problems that have occurred on the property? ..... ☐ ☐
- (c) Any drainage, flooding, water seepage, or high water table? ..... ☐ ☐
- (d) The property being located in a designated flood plain? ..... ☐ ☐
- (e) Whether the property is located next to or near any known future development? ..... ☐ ☐
- (f) Any encroachments, easements, zoning violations or nonconforming uses? ..... ☐ ☐
- (g) Is the property adjacent to "open range" land? ..... ☐ ☐
- (If seller answers yes, FURTHER DISCLOSURE IS REQUIRED under NRS 113.065)

**3. Roof:** Any problems with the roof? ..... ☐ ☐

**4. Pool/spa:** Any problems with structure, wall, liner, or equipment..... ☐ ☐ ☐

**5. Infestation:** Any history of infestation (termites, carpenter ants, etc.)? ..... ☐ ☐

**6. Environmental:**

- (a) Any substances, materials, or products which may be an environmental hazard such as but not limited to, asbestos, radon gas, urea formaldehyde, fuel or chemical storage tanks, contaminated water or soil on the property? ..... ☐ ☐
- (b) Has property been the site of a crime involving the previous manufacture of Methamphetamine where the substances have not been removed from or remediated on the Property by a certified entity or has not been deemed safe for habitation by the Board of Health? ..... ☐ ☐

**7. Fungi / Mold:** Any previous or current fungus or mold? ..... ☐ ☐

**8.** Any features of the property shared in common with adjoining landowners such as walls, fences, road, driveways or other features whose use or responsibility for maintenance may have an effect on the property? ..... ☐ ☐

**9. Common Interest Communities:** Any "common areas" (facilities like pools, tennis courts, walkways or other areas co-owned with others) or a homeowner association which has any authority over the property? ..... ☐ ☐

- (a) Common Interest Community Declaration and Bylaws available? ..... ☐ ☐
- (b) Any periodic or recurring association fees? ..... ☐ ☐
- (c) Any unpaid assessments, fines or liens, and any warnings or notices that may give rise to an assessment, fine or lien? ..... ☐ ☐
- (d) Any litigation, arbitration, or mediation related to property or common area? ..... ☐ ☐
- (e) Any assessments associated with the property (excluding property taxes)? ..... ☐ ☐
- (f) Any construction, modification, alterations, or repairs made without required approval from the appropriate Common Interest Community board or committee? ..... ☐ ☐

**10.** Any problems with water quality or water supply? ..... ☐ ☐

**11. Any other conditions or aspects of the property which materially affect its value or use in an adverse manner?** ..... ☐ ☐

**12. Lead-Based Paint:** Was the property constructed on or before 12/31/77? ..... ☐ ☐

(If yes, additional Federal EPA notification and disclosure documents are required)

**13. Water source:** Municipal ☐ Community Well ☐ Domestic Well ☐ Other ☐

If Community Well: State Engineer Well Permit # \_\_\_\_\_ Revocable ☐ Permanent ☐ Cancelled ☐

**Use of community and domestic wells may be subject to change. Contact the Nevada Division of Water Resources for more information regarding the future use of this well.**

**14. Conservation Easements** such as the SNWA's Water Smart Landscape Program: Is the property a participant?..... ☐ ☐

**15. Solar panels:** Are any installed on the property? ..... ☐ ☐

If yes, are the solar panels: Owned ☐ Leased ☐ or Financed ☐

**16. Wastewater disposal:** Municipal Sewer ☐ Septic System ☐ Other ☐

**17.** This property is subject to a Private Transfer Fee Obligation? ..... ☐ ☐

**EXPLANATIONS:** Any "Yes" must be fully explained on page 3 of this form.

\_\_\_\_\_  
Seller(s) Initials

\_\_\_\_\_  
Buyer(s) Initials

[illegible]

---

*Buyer(s) Initials*

**Buyers and sellers of residential property are advised to seek the advice of an attorney concerning their rights and obligations as set forth in Chapter 113 of the Nevada Revised Statutes regarding the seller's obligation to execute the Nevada Real Estate Division's approved "Seller's Real Property Disclosure Form". For your convenience, Chapter 113 of the Nevada Revised Statutes provides as follows:**

**CONDITION OF RESIDENTIAL PROPERTY OFFERED FOR SALE**

**NRS 113.100 Definitions.** As used in [NRS 113.100](#) to [113.150](#), inclusive, unless the context otherwise requires:

1. "Defect" means a condition that materially affects the value or use of residential property in an adverse manner.
  2. "Disclosure form" means a form that complies with the regulations adopted pursuant to [NRS 113.120](#).
  3. "Dwelling unit" means any building, structure or portion thereof which is occupied as, or designed or intended for occupancy as, a residence by one person who maintains a household or by two or more persons who maintain a common household.
  4. "Residential property" means any land in this state to which is affixed not less than one nor more than four dwelling units.
  5. "Seller" means a person who sells or intends to sell any residential property.
- (Added to NRS by 1995, 842; A [1999, 1446](#))

**NRS 113.110 Conditions required for "conveyance of property" and to complete service of document.** For the purposes of [NRS 113.100](#) to [113.150](#), inclusive:

1. A "conveyance of property" occurs:
    - (a) Upon the closure of any escrow opened for the conveyance; or
    - (b) If an escrow has not been opened for the conveyance, when the purchaser of the property receives the deed of conveyance.
  2. Service of a document is complete:
    - (a) Upon personal delivery of the document to the person being served; or
    - (b) Three days after the document is mailed, postage prepaid, to the person being served at his last known address.
- (Added to NRS by 1995, 844)

**NRS 113.120 Regulations prescribing format and contents of form for disclosing condition of property.** The Real Estate Division of the Department of Business and Industry shall adopt regulations prescribing the format and contents of a form for disclosing the condition of residential property offered for sale. The regulations must ensure that the form:

1. Provides for an evaluation of the condition of any electrical, heating, cooling, plumbing and sewer systems on the property, and of the condition of any other aspects of the property which affect its use or value, and allows the seller of the property to indicate whether or not each of those systems and other aspects of the property has a defect of which the seller is aware.
  2. Provides notice:
    - (a) Of the provisions of [NRS 113.140](#) and subsection 5 of [NRS 113.150](#).
    - (b) That the disclosures set forth in the form are made by the seller and not by his agent.
    - (c) That the seller's agent, and the agent of the purchaser or potential purchaser of the residential property, may reveal the completed form and its contents to any purchaser or potential purchaser of the residential property.
- (Added to NRS by 1995, 842)

**NRS 113.130 Completion and service of disclosure form before conveyance of property; discovery or worsening of defect after service of form; exceptions; waiver.**

1. Except as otherwise provided in subsection 2:
    - (a) At least 10 days before residential property is conveyed to a purchaser:
      - (1) The seller shall complete a disclosure form regarding the residential property; and
      - (2) The seller or the seller's agent shall serve the purchaser or the purchaser's agent with the completed disclosure form.
    - (b) If, after service of the completed disclosure form but before conveyance of the property to the purchaser, a seller or the seller's agent discovers a new defect in the residential property that was not identified on the completed disclosure form or discovers that a defect identified on the completed disclosure form has become worse than was indicated on the form, the seller or the seller's agent shall inform the purchaser or the purchaser's agent of that fact, in writing, as soon as practicable after the discovery of that fact but in no event later than the conveyance of the property to the purchaser. If the seller does not agree to repair or replace the defect, the purchaser may:
      - (1) Rescind the agreement to purchase the property; or
      - (2) Close escrow and accept the property with the defect as revealed by the seller or the seller's agent without further recourse.
  2. Subsection 1 does not apply to a sale or intended sale of residential property:
    - (a) By foreclosure pursuant to [chapter 107](#) of NRS.
    - (b) Between any co-owners of the property, spouses or persons related within the third degree of consanguinity.
    - (c) Which is the first sale of a residence that was constructed by a licensed contractor.
    - (d) By a person who takes temporary possession or control of or title to the property solely to facilitate the sale of the property on behalf of a person who relocates to another county, state or country before title to the property is transferred to a purchaser.
  3. A purchaser of residential property may not waive any of the requirements of subsection 1. A seller of residential property may not require a purchaser to waive any of the requirements of subsection 1 as a condition of sale or for any other purpose.
  4. If a sale or intended sale of residential property is exempted from the requirements of subsection 1 pursuant to paragraph (a) of subsection 2, the trustee and the beneficiary of the deed of trust shall, not later than at the time of the conveyance of the property to the purchaser of the residential property, or upon the request of the purchaser of the residential property, provide:
    - (a) Written notice to the purchaser of any defects in the property of which the trustee or beneficiary, respectively, is aware; and
    - (b) If any defects are repaired or replaced or attempted to be repaired or replaced, the contact information of any asset management company who provided asset management services for the property. The asset management company shall provide a service report to the purchaser upon request.
  5. As used in this section:
    - (a) "Seller" includes, without limitation, a client as defined in [NRS 645H.060](#).
    - (b) "Service report" has the meaning ascribed to it in [NRS 645H.150](#).
- (Added to NRS by [1995, 842](#); A [1997, 349](#); [2003, 1339](#); [2005, 598](#); [2011, 2832](#))

---

*Seller(s) Initials*

---

*Buyer(s) Initials*

**NRS 113.135 Certain sellers to provide copies of certain provisions of NRS and give notice of certain soil reports; initial purchaser entitled to rescind sales agreement in certain circumstances; waiver of right to rescind.**

1. Upon signing a sales agreement with the initial purchaser of residential property that was not occupied by the purchaser for more than 120 days after substantial completion of the construction of the residential property, the seller shall:

(a) Provide to the initial purchaser a copy of [NRS 11.202](#) to [11.206](#), inclusive, and [40.600](#) to [40.695](#), inclusive;

(b) Notify the initial purchaser of any soil report prepared for the residential property or for the subdivision in which the residential property is located; and

(c) If requested in writing by the initial purchaser not later than 5 days after signing the sales agreement, provide to the purchaser without cost each report described in paragraph (b) not later than 5 days after the seller receives the written request.

2. Not later than 20 days after receipt of all reports pursuant to paragraph (c) of subsection 1, the initial purchaser may rescind the sales agreement.

3. The initial purchaser may waive his right to rescind the sales agreement pursuant to subsection 2. Such a waiver is effective only if it is made in a written document that is signed by the purchaser.

(Added to NRS by [1999, 1446](#))

**NRS 113.140 Disclosure of unknown defect not required; form does not constitute warranty; duty of buyer and prospective buyer to exercise reasonable care.**

1. [NRS 113.130](#) does not require a seller to disclose a defect in residential property of which he is not aware.

2. A completed disclosure form does not constitute an express or implied warranty regarding any condition of residential property.

3. Neither this chapter nor [chapter 645](#) of NRS relieves a buyer or prospective buyer of the duty to exercise reasonable care to protect himself.

(Added to NRS by 1995, 843; A [2001, 2896](#))

**NRS 113.150 Remedies for seller's delayed disclosure or nondisclosure of defects in property; waiver.**

1. If a seller or the seller's agent fails to serve a completed disclosure form in accordance with the requirements of [NRS 113.130](#), the purchaser may, at any time before the conveyance of the property to the purchaser, rescind the agreement to purchase the property without any penalties.

2. If, before the conveyance of the property to the purchaser, a seller or the seller's agent informs the purchaser or the purchaser's agent, through the disclosure form or another written notice, of a defect in the property of which the cost of repair or replacement was not limited by provisions in the agreement to purchase the property, the purchaser may:

(a) Rescind the agreement to purchase the property at any time before the conveyance of the property to the purchaser; or

(b) Close escrow and accept the property with the defect as revealed by the seller or the seller's agent without further recourse.

3. Rescission of an agreement pursuant to subsection 2 is effective only if made in writing, notarized and served not later than 4 working days after the date on which the purchaser is informed of the defect:

(a) On the holder of any escrow opened for the conveyance; or

(b) If an escrow has not been opened for the conveyance, on the seller or the seller's agent.

4. Except as otherwise provided in subsection 5, if a seller conveys residential property to a purchaser without complying with the requirements of [NRS 113.130](#) or otherwise providing the purchaser or the purchaser's agent with written notice of all defects in the property of which the seller is aware, and there is a defect in the property of which the seller was aware before the property was conveyed to the purchaser and of which the cost of repair or replacement was not limited by provisions in the agreement to purchase the property, the purchaser is entitled to recover from the seller treble the amount necessary to repair or replace the defective part of the property, together with court costs and reasonable attorney's fees. An action to enforce the provisions of this subsection must be commenced not later than 1 year after the purchaser discovers or reasonably should have discovered the defect or 2 years after the conveyance of the property to the purchaser, whichever occurs later.

5. A purchaser may not recover damages from a seller pursuant to subsection 4 on the basis of an error or omission in the disclosure form that was caused by the seller's reliance upon information provided to the seller by:

(a) An officer or employee of this State or any political subdivision of this State in the ordinary course of his or her duties; or

(b) A contractor, engineer, land surveyor, certified inspector as defined in [NRS 645D.040](#) or pesticide applicator, who was authorized to practice that profession in this State at the time the information was provided.

6. A purchaser of residential property may waive any of his or her rights under this section. Any such waiver is effective only if it is made in a written document that is signed by the purchaser and notarized.

(Added to NRS by [1995, 843](#); A [1997, 350, 1797](#))

The above information provided on pages one (1), two (2) and three (3) of this disclosure form is true and correct to the best of seller's knowledge as of the date set forth on page one (1). **SELLER HAS DUTY TO DISCLOSE TO BUYER AS NEW DEFECTS ARE DISCOVERED AND/OR KNOWN DEFECTS BECOME WORSE (See NRS 113.130(1)(b)).**

Seller(s): \_\_\_\_\_ Date: \_\_\_\_\_

Seller(s): \_\_\_\_\_ Date: \_\_\_\_\_

**BUYER MAY WISH TO OBTAIN PROFESSIONAL ADVICE AND INSPECTIONS OF THE PROPERTY TO MORE FULLY DETERMINE THE CONDITION OF THE PROPERTY AND ITS ENVIRONMENTAL STATUS. Buyer(s) has/have read and acknowledge(s) receipt of a copy of this Seller's Real Property Disclosure Form and copy of NRS Chapter 113.100-150, inclusive, attached hereto as pages four (4) and five (5).**

Buyer(s): \_\_\_\_\_ Date: \_\_\_\_\_

Buyer(s): \_\_\_\_\_ Date: \_\_\_\_\_

## OPEN RANGE DISCLOSURE

Assessor Parcel or Home ID Number: \_\_\_\_\_

**Disclosure: This property is adjacent to "Open Range"**

This property is adjacent to open range on which livestock are permitted to graze or roam. Unless you construct a fence that will prevent livestock from entering this property, livestock may enter the property and you will not be entitled to collect damages because livestock entered the property.

***Regardless of whether you construct a fence, it is unlawful to kill, maim or injure livestock that have entered this property.***

The parcel may be subject to claims made by a county or this State of rights-of-way granted by Congress over public lands of the United States not reserved for public uses in chapter 262, section 8, 14 Statutes 253 (former 43 U.S.C. § 932, commonly referred to as R.S. 2477), and accepted by general public use and enjoyment before, on or after July 1, 1979, or other rights-of-way. Such rights-of-way may be:

- (1) Unrecorded, undocumented or unsurveyed; and
- (2) Used by persons, including, without limitation miners, ranchers or hunters, for access or recreational use, in a manner which interferes with the use and enjoyment of the parcel.

**SELLERS:** The law (NRS 113.065) requires that the seller shall:

- Disclose to the purchaser information regarding grazing on open range;
- Retain a copy of the disclosure document signed by the purchaser acknowledging the date of receipt by the purchaser of the original document;
- Provide a copy of the signed disclosure document to the purchaser; and
- Record, in the office of the county recorder in the county where the property is located, the original disclosure document that has been signed by the purchaser.

***I, the below signed purchaser, acknowledge that I have received this disclosure on this date:*** \_\_\_\_\_

\_\_\_\_\_  
*Buyer Signature*

\_\_\_\_\_  
*Buyer Signature*

\_\_\_\_\_  
*Print or type name here*

\_\_\_\_\_  
*Print or type name here*

In Witness, whereof, I/we have hereunto set my hand/our hands this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_

\_\_\_\_\_  
*Seller Signature*

\_\_\_\_\_  
*Seller Signature*

\_\_\_\_\_  
*Print or type name here*

\_\_\_\_\_  
*Print or type name here*

STATE OF NEVADA, COUNTY OF \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_  
(date)

by \_\_\_\_\_  
*Person(s) appearing before notary*

by \_\_\_\_\_  
*Person(s) appearing before notary*

\_\_\_\_\_  
*Signature of notarial officer*

CONSULT AN ATTORNEY IF YOU DOUBT THIS FORM'S FITNESS FOR YOUR PURPOSE.

***Leave space within 1-inch margin blank on all sides.***

Notary Seal

STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
REAL ESTATE DIVISION

3300 W. Sahara Ave., Suite 350, Las Vegas, Nevada 89102 \* (702) 486-4033  
e-mail: realest@red.nv.gov \* http://red.nv.gov/

**USED MANUFACTURED/MOBILE HOME DISCLOSURE**  
**Personal Property Taxes and Required Documents**

Pursuant to Section 6, AB 114 (2005), a Real Estate Licensee is required to provide to the purchaser of a Used Manufactured or Used Mobile Home that has NOT been converted to real property the following information:

MANUFACTURER: _____	YEAR: _____
SERIAL # _____	SIZE: _____

**NOTICE:** The used manufactured/used mobile home you are purchasing is **PERSONAL PROPERTY** and is subject to personal property taxes. Personal property taxes are paid through your county assessor's office.

Personal property taxes on used manufactured/used mobile homes are required by law to be paid in full before title (certificate of ownership) is transferred and an Assessor's endorsement must be placed on the face of the title verifying the payment. Title to the manufactured/mobile home will not transfer until the assessor's endorsement is received (NRS 489.531). You may contact the county assessor to verify if the taxes on this manufactured/mobile home have been paid in full.

In this transaction, you are purchasing both personal property (the used manufactured/used mobile home) and real property (the land the used manufactured/used mobile home is located on). **As a result, you will be paying both real property taxes and personal property taxes.**

**REQUIREMENT TO SUBMIT DOCUMENTS (NRS 489.521):** Within 45 days after the sale of the used manufactured/used mobile home is completed, you must submit the following documents to the Manufactured Housing Division and a copy to the County Assessor of the county in which the used manufactured/used mobile home is located:

- A properly endorsed Certificate of Ownership (if the certificate of ownership has been issued in this state) or
- A properly endorsed certificate of title or other document of title issued by another state (if the certificate of ownership has not been issued in this state) and a statement with the following information (if it is not contained on the certificate or document of title):
  - the description of the used manufactured/used mobile home;
  - the names and addresses of the buyer and seller;
  - the name and address of any person who takes or retains a purchase money security interest.

THE STATEMENT MUST BE SIGNED AND ACKNOWLEDGED BY THE BUYER AND SELLER.

If a used manufactured/used mobile home is sold pursuant to an installment contract or other agreement whereby the certificate of title or certificate of ownership does not pass immediately to the buyer upon the sale, the seller, buyer or both shall submit to the Manufactured Housing Division any information required by the regulations adopted pursuant to NRS 489.272.

**NOTICE PURSUANT TO NRS 489.531:** The Manufactured Housing Division shall not issue a certificate of ownership on a used manufactured/used mobile home unless the county assessor of the county in which the used manufactured/used mobile home was situated at the time of the sale has endorsed on the certificate that all personal property taxes for the fiscal year have been paid. Additionally, the certificate of ownership must contain a warning, printed or stamped on its face, to the effect that the title does not pass until the county assessor endorses on the certificate of title that all personal property taxes have been paid.

**RESPONSIBILITY OF BROKER:** A real estate broker who represents a client in this transaction shall take such actions as necessary to ensure that the client complies with the requirements of NRS 489.521 and NRS 489.531.

The disclosures provided above do not constitute a warranty as to title or condition of the used manufactured/mobile home information.					
Purchaser	Date	Time	Real Estate Broker	Date	Time
Purchaser	Date	Time	Real Estate Licensee	Date	Time

**D**UTIES OWED BY A  
NEVADA LICENSEE

**I**MPACT FEES

**S**OIL REPORT

**C**OMMON-INTEREST  
COMMUNITIES

**L**IEN FOR DEFERRED  
TAXES

**O**PEN RANGE

**S**ELLER'S REAL PROPERTY  
DISCLOSURE

**U**SED MOBILE HOMES

**R**ESIDENTIAL POOL SAFETY  
AND DROWNING PREVENTION

**E**NVIRONMENTAL HAZARDS

**S**EWER AND WATER  
RATES

Nevada Real Estate Division

# RESIDENTIAL DISCLOSURE GUIDE

*A few things you need to know  
before buying or selling a home  
in Nevada.*

**Revised  
July 2017**



State of Nevada  
Department of Business & Industry  
Real Estate Division

# Introduction

---

The Department of Business and Industry—Nevada Real Estate Division has developed this booklet to increase consumer awareness and understanding of disclosures that may be required by a buyer or seller during the sale or purchase of a residential property in the State of Nevada.

In almost every real estate transaction, some form of written disclosure is required. For example, real estate licensees must disclose if they are related to a party in the transaction or affiliated with the lender involved in approving the loan for that particular transaction. Sellers, for instance, are responsible for disclosing material facts, data and other information relating to the property they are attempting to sell. And buyers, in some cases, must disclose if they are choosing to waive their 10-day opportunity to conduct a risk assessment of lead hazards.

These are only a few examples of what must be disclosed during a real estate transaction. While it is not possible to outline which disclosures are needed in every situation, as each real estate transaction is unique, this booklet contains discussions on the most commonly required state, federal and local disclosures.

*References to real estate licensees and the sale of residential properties in this booklet apply only to the state of Nevada. This guide, however, does not specifically address vacant land or commercial properties.*

We hope that you will find this booklet helpful and that it becomes a valuable resource during your real estate transaction. For more information, please visit our website at <http://red.nv.gov>.

---

Published pursuant to NRS 645.194 by the Nevada Real Estate Division in both electronic and hardcopy formats.

©2006-2017 Nevada Real Estate Division, Department of Business & Industry, State of Nevada. **All rights reserved.**

First reprint: January 2007  
Second reprint: April 2008  
Third reprint: August 2010  
Fourth reprint: October 2011

Fifth reprint: November 2011  
Sixth reprint: June 2014  
Seventh reprint: October 2015  
Eighth reprint: July 2017

This booklet is state-issued and may not be modified or altered in any way. It may be reproduced as needed and downloaded for printing from:  
<http://red.nv.gov/RDG/>

Nevada Real Estate Division	
<b>LAS VEGAS</b> 3300 W Sahara Ave. Suite 350 Ph: (702) 486-4033	<b>CARSON CITY</b> 1818 E. College Pkwy Suite 110 Ph: (775) 684-1900
Website: <a href="http://red.nv.gov">http://red.nv.gov</a> Email: <a href="mailto:realest@red.nv.gov">realest@red.nv.gov</a>	

# Table of Contents

---

## State Disclosures

Common-Interest Communities and Condominium Hotels .....	4
Consent to Act .....	8
Construction Defects .....	9
Duties Owed By a Nevada Real Estate Licensee .....	10
Impact Fees.....	12
Lien for Deferred Taxes .....	13
Manufactured Housing— Used Manufactured/Mobile Homes .....	14
Manufactured Home Parks .....	15
Open Range Disclosure .....	16
Private Transfer Fee Obligation .....	18
Seller’s Real Property Disclosure .....	19
Water & Sewer Rates .....	22

## Federal/Local/Miscellaneous Disclosures

Lead-Based Paint .....	23
Pool Safety & Drowning Prevention .....	24
Airport Noise.....	25
Building & Zoning Codes .....	25
Environmental Hazards .....	25
Gaming (Initial Purchaser in New Construction Only) ...	26
Home Inspections.....	27
Military Activities .....	27
Licensee Disclosures .....	27
Road Maintenance District .....	28
Soil Report (New Construction Only) .....	28

Contact Information.....	29
--------------------------	----

Acknowledgement Form .....	31
----------------------------	----

## **Common-Interest Communities and Condominium Hotels**

### **⇒ Purpose of Disclosure**

The purpose of the information statement required when purchasing a home or unit in a common-interest community or a condominium hotel is to make the buyer aware of all rights, obligations and other aspects related to owning a unit within a common-interest community (also known as a homeowner's association) or a condominium hotel. The statement makes buyers aware that use of their units can be restricted by the Declaration or CC&R's. It also alerts buyers that foreclosure of the unit is possible for failure to pay assessments.

### **⇒ Who must provide the disclosure?**

The seller must, at seller's expense, provide an information statement with the sale of any unit within a common-interest community or condominium hotel. The statement is entitled "*BEFORE YOU PURCHASE PROPERTY IN A [COMMON-INTEREST COMMUNITY] [CONDOMINIUM HOTEL] DID YOU KNOW...*"

### **⇒ When is it due?**

In a transaction requiring a public offering statement (further detailed below), the information statement is part of the public offering statement and is due no later than the date an offer to purchase becomes binding on the buyer. If the unit has not been inspected by the buyer, the buyer will have 5 calendar days to cancel the contract from the date of execution.

In a resale transaction, the information statement is part of the resale package. A buyer has 5 calendar days to cancel the contract after receipt of the resale package. It is good practice to provide the information statement no later than 5 days before the contract becomes binding on the buyer in any type of transaction.

# Common-Interest Communities and Condominium Hotels

*(Continued from page 4)*

## ⇒ Additional Information

### **Public Offering Statement**

If the property is a new unit in a common-interest community or a condominium hotel, or if the community is subject to any developmental rights, or contains converted buildings or contains units which may be in a time share, or is registered with the Securities and Exchange Commission, the buyer must also be provided with a **Public Offering Statement** disclosing applicable information, including:

- development rights of contractors
- construction schedule
- description of proposed improvements
- mechanical & electrical installations
- initial or special fees
- number & identity of units in timeshare

Unless the buyer has personally inspected the unit, the buyer may cancel the contract to purchase, by written notice, until midnight of the fifth calendar day following the date of execution of the contract. This provision must be stated in the contract.

### **Resale Package**

In transactions involving the resale of a unit previously sold by the developer, a resale package must be provided to the buyer at the expense of the seller. In addition to the information statement, the resale package includes the following: the declaration, bylaws, rules and regulations, monthly assessments, unpaid assessments of any kind, current operating budget, financial statement, reserve summary, unsatisfied judgments, and status of any pending legal actions.

*(Continued on next page...)*

# Common-Interest Communities and Condominium Hotels

*Continued from*

*(Continued from previous page...)*

## **Transfer Fees**

### Do not pertain to Condominium Hotels

The resale package for a home or unit in a common-interest community must also include a statement of any transfer fees, transaction fees or any other fees associated with the resale of a unit.

## **Unpaid Obligations**

### Do not pertain to Condominium Hotels

The resale package for a home or unit in a common-interest community must also include a statement from the association setting forth the amount of the monthly assessment for common expenses and any unpaid obligations that are due from the selling unit's owner, including management fees, transfer fees, fines, penalties, interest, collection costs, foreclosure fees and attorney's fee. Please be advised that while the resale package includes this information, changes to the law in 2013 no longer allow a seller or buyer to rely on this statement as accurate. The seller must obtain a "statement of demand" which is separate from the resale package.

## **Delivery of Resale Package**

An association or hotel unit owner has 10 days to provide the resale package after a request. If the documents are not provided within 10 days the buyer is not liable for any delinquent assessment. The resale package should be delivered as soon as practicable. Unless the buyer has accepted conveyance of the unit, the buyer may cancel the contract to purchase, by written notice, until midnight of the fifth calendar day following receipt of the resale package. This provision must be stated in the contract.

# Common-Interest Communities and Condominium Hotels

## Statement of Demand

### Does not pertain to Condominium Hotels

The statement of fees and assessments in the resale package may not be relied upon. It is necessary for any seller to purchase a statement of demand from the association and provide it to the buyer. The statement of demand may be requested by the unit owner, his or her representative or the holder of a security interest on the unit. A statement of demand from the association sets forth the current outstanding assessments, fees and unpaid obligations, including foreclosure fees and attorney's fees due from the seller. The statement of demand remains effective for the period specified in the demand which must not be less than 15 business days from the date of delivery by the association to the seller. The association may provide a corrected statement of demand prior to the sale. Payment of the amount set forth in the statement of demand constitutes full payment of the amount due from the seller.

[NRS 116 governs Common-Interest Communities;  
NRS 116B governs Condominium Hotels]

---

### *For more information:*

Form: Before You Purchase Property in a Common-Interest Community Did You Know... or Before You Purchase Property in a Condominium Hotel Did You Know...

Website: <http://red.nv.gov/uploadedFiles/rednv.gov/Content/Forms/584.pdf>  
or <http://red.nv.gov/uploadedFiles/rednv.gov/Content/Forms/584a.pdf>

NRS: [116.4101-116.412](#); NAC: [116.151](#), [116.465](#), [116.470](#)

NRS: [116B.725-116B.795](#); NAC: [116B.500-116B.530](#)

# Consent to Act

## ⇒ Purpose of Disclosure

The purpose of the Consent to Act form is for the licensee to obtain the written consent to act for more than one party in a transaction.

## ⇒ Who must provide the disclosure?

The licensee must provide this form to all parties in the transaction if he seeks to act for more than one party.

## ⇒ When is it due?

If a licensee makes such a disclosure, the consent must be obtained from all parties before the licensee may continue to act in his capacity as an agent.

## ⇒ Additional Information

The written consent must include:

1. A description of the real estate transaction;
2. A statement that the licensee is acting for two or more parties to the transaction and that, in acting for these parties, the licensee has a conflict of interest;
3. A statement that the licensee will not disclose any confidential information for 1 year after the revocation or termination of the brokerage agreement unless he is required to do so per court order or he is given written permission by that party;
4. A statement that a party is not required to consent to the licensee acting on his behalf;
5. A statement that the party is giving his consent without coercion and understands the terms of the consent given.

---

*For more information:*

Form: [Consent to Act](#)

Website: <http://red.nv.gov/uploadedFiles/rednvgov/Content/Forms/524.pdf>

NRS: [645.252-254](#)

# Construction Defects

## ⇒ Purpose of Disclosure

The purpose of disclosures relating to construction defects is to make the buyer aware of any construction defects in the property.

## ⇒ Who must provide the disclosure?

If there is a construction defect, the contractor must disclose the information in understandable language that is underlined and in bold-faced type with capital letters. If the property is or has been the subject of a construction defect claim or lawsuit, the seller must provide the following information to the buyer:

- copies of all notices given to contractor
- expert opinions obtained by claimant
- terms of settlement or order of judgment
- detailed report of all repairs

## ⇒ When is it due?

Construction defects must be disclosed to the buyer before purchase of the residence. If the property is or has been the subject of a defect claim or lawsuit, the information must be disclosed 30 days before close of escrow, or if escrow is less than 30 days, then immediately upon signing the sales agreement. If a claim is made while in escrow, the disclosure must be made within 24 hours of notice of complaint.

## ⇒ Additional Information

If the property is located within a common-interest community and is the subject of a defect claim or lawsuit, this information must be disclosed in the buyer's **resale package** (see Common-Interest Communities).

---

*For more information:*

NRS: [40.640](#), [40.688](#)

## **Duties Owed By a Nevada Real Estate Licensee**

### **⇒ Purpose of Disclosure**

The purpose of the Duties Owed form is to make the buyer or seller aware of obligations owed by a real estate licensee to all parties involved in the transaction.

### **⇒ Who must provide the disclosure?**

A licensee who acts as an agent in a real estate transaction must disclose to each party for whom the licensee is acting as an agent and any unrepresented party all duties owed to the parties and the licensee's relationship as an agent to each party in the transaction.

### **⇒ When is it due?**

The disclosure form must be presented to the client before any documents are signed by the client.

### **⇒ Additional Information**

A Nevada licensee who has entered into a brokerage agreement to represent a client in a real estate transaction shall:

1. Exercise reasonable skill and care to carry out the terms of the brokerage agreement and the licensee's duties in the brokerage agreement;
2. Not disclose, except to the licensee's broker, confidential information relating to a client for 1 year after the revocation or termination of the brokerage agreement, unless licensee is required to do so by court order or the client gives written permission;
3. Seek a sale, purchase, option, rental or lease of real property at the price and terms stated in the brokerage agreement or at a price acceptable to the client;
4. Present all offers made to or by the client as soon as practicable, unless the client chooses to waive the duty of the licensee to present all offers and signs a waiver of the duty on a form prescribed by the Division;

## **Duties Owed By a Nevada Real Estate Licensee**

5. Disclose to the client material facts of which the licensee has knowledge concerning the real estate transaction;
6. Advise the client to obtain advice from an expert relating to matters which are beyond the expertise of the licensee; and
7. Account to the client for all money and property the licensee receives in which the client may have an interest.

### **⇒ Waiver of Duty to Present All Offers Authorization to Negotiate Directly with Seller**

A client may choose to waive the broker's duty to present all offers by signing a waiver on a form, the "Waiver Form," prescribed by the Division. Concurrent with the option of a client to waive the duty of his/her broker to present all offers is the form "Authorization to Negotiate Directly with Seller," which gives permission in writing to authorize a licensee to negotiate a sale or lease directly with a seller. Both forms must be utilized and signed by a client who waives the duty to present all offers. Otherwise, a licensee for a buyer does not have the permission of the seller's broker to present offers or negotiate with the sellers directly.

---

*For more information:*

Form: [Duties Owed By a Nevada Real Estate Licensee](#)

Website: <http://red.nv.gov/uploadedFiles/rednvgov/Content/Forms/525.pdf>

NRS: [645.193](#); [645.252-645.254](#)

# Impact Fees

## ⇒ Purpose of Disclosure

The seller of any property must give notice of any impact fees that may be imposed upon the buyer.

An impact fee is a charge imposed by a local government on new development (i.e., the construction, reconstruction, redevelopment, conversion, alteration, relocation or enlargement of any structure which increases the number of service units) to finance some of the costs attributable to the new development.

## ⇒ Who must provide the disclosure?

A seller who has knowledge of the impact fee must give written notice to the buyer, including the amount of the impact fee and the name of the local government imposing the fee.

## ⇒ When is it due?

The notice must be provided to the buyer before the property is conveyed.

## ⇒ Additional Information

If the seller fails to give this notice, the seller is liable to the buyer for the amount of the impact fee.

---

*For more information:*

NRS: [278B.320](#)

# Lien for Deferred Taxes

## ⇒ **Purpose of Disclosure**

If there are deferred taxes that have not been paid at the time the property is sold or transferred, the buyer must be notified in writing that there is a lien for deferred taxes on the property.

## ⇒ **Who must provide the disclosure?**

The seller must notify the buyer of the lien.

## ⇒ **When is it due?**

The lien must be disclosed at the time the property is sold or transferred.

## ⇒ **Additional Information**

The owner of the property on the date the deferred taxes become due is liable for the deferred taxes.

---

*For more information:*

NRS: [361A.290](#)

# Manufactured Housing— Used Manufactured/Mobile Homes

## ⇒ Purpose of Disclosure

The purpose of the Used Manufactured/Mobile Home disclosure is to make the buyer aware that a used manufactured or mobile home that has not been converted to real property is personal property and subject to personal property taxes.

## ⇒ Who must provide the disclosure?

The real estate licensee shall provide the form to the purchaser as soon as practicable, but before title is transferred.

## ⇒ Additional Information

This disclosure also informs the purchaser that title will not pass unless the county assessor's endorsement is placed on the face of the title, verifying that taxes have been paid in full.

The disclosure also instructs the consumer to submit certain documents to Nevada's Manufactured Housing Division and the county assessor within 45 days after the sale is complete and before a certificate of ownership will be issued.

---

*For more information:*

Form: [Used Manufactured/Mobile Home Disclosure](#)

Website: [Manufactured Housing Division](#)

NRS: [645.258](#), [489.521](#), [489.531](#), [489.541](#)

# Manufactured Housing— Manufactured Home Parks

## ⇒ Purpose of Disclosure

The purpose of the disclosure relating to placing or buying a manufactured or mobile home in a manufactured home park is to make the buyer aware that he may be subject to approval by the landlord of the manufactured home park if the manufactured or mobile home will remain in the park.

## ⇒ Who must provide the disclosure?

If the landlord requires approval of a prospective buyer and tenant, the landlord must post a sign which is clearly readable at the entrance of the park which advises consumers that before a manufactured home in the park is sold, the buyer and tenant must be approved by the landlord.

## ⇒ Additional Information

If the property will remain in the manufactured home park, make sure you have a lease agreement with the park manager and that you know the park's rules and regulations.

Remember: the seller or a manufactured home dealer cannot promise that you'll be accepted as a tenant in a particular manufactured home park. You must apply for the lease yourself and should do so before finalizing the purchase of your home. The landlord must approve or deny a completed application from a prospective buyer and tenant within 10 days after the date the application is submitted.

---

*For more information:*

Website: [Manufactured Housing Division—Placing or Buying Your Home in a Rental Community](#)

NRS: [118B.170](#)

# Open Range Disclosure

## ⇒ Purpose of Disclosure

The purpose of the Open Range Disclosure is to inform the prospective buyer of a home or an improved or unimproved lot adjacent to open range that livestock are permitted to graze or roam on the property. Open range means all unenclosed land outside of cities and towns upon which cattle, sheep or other domestic animals by custom, license, lease or permit are grazed or permitted to roam. It also serves to inform the prospective buyer that the parcel may be subject to county or State claims of right-of-way, (commonly referred to as R.S. 2477 rights-of-way) including rights-of-way that may be unrecorded, undocumented or unsurveyed; and used by miners, ranchers, hunters or others, for access or recreational use, in a manner which interferes with the use and enjoyment of the parcel.

## ⇒ Who must provide the disclosure?

A seller must disclose, in writing, to a potential buyer of property adjacent to open range, that livestock grazing on the open range are permitted to enter the property; and that the parcel may be subject to county or State claims of right-of-way.

## ⇒ When is it due?

The disclosure must be provided to the potential buyer, with the requirement that the buyer sign the disclosure form acknowledging the date of receipt of the original disclosure document, before the sales agreement is signed.

# Open Range Disclosure

## ⇒ Additional Information

The disclosure acknowledges fencing the property to keep livestock out and recognizes the property owner's entitlement to damages if livestock enter a fenced property but warns against harming roaming livestock even on a fenced property.

The law requires that the seller retain a copy of the disclosure document that has been signed by the buyer acknowledging the date of receipt of the document, provide a copy to the buyer, and record the original disclosure document containing the buyer's signature and the seller's notarized signature in the office of the county recorder in the county where the property is located.

---

*For more information:*

Form: [Open Range Disclosure](#)

Website: <http://red.nv.gov/uploadedFiles/rednvgov/Content/Forms/551.pdf>

NRS: [113.065](#); [568.355](#)

# Private Transfer Fee Obligation

## ⇒ Purpose of Disclosure

The purpose of the disclosure is to make the buyer aware that the property is subject to a Private Transfer Fee Obligation (PTFO) which will require the buyer, upon conveyance of the property by the seller, to pay either a one-time fixed amount or a one-time percentage of the purchase price to a third party payee.

## ⇒ Who Must Provide the Disclosure?

The seller of a property that is subject to a PTFO must provide the disclosure as a written statement that discloses the existence of and describes the PTFO, and includes language substantially similar to the legislatively-prescribed notice informing the buyer that the PTFO may lower the value of the property and that the laws of this State prohibit the enforcement of certain PTFOs created on or after May 20, 2011.

## ⇒ When is it due?

The disclosure must be provided to the potential buyer before the conveyance of the property.

## ⇒ Additional Information

The notice regarding the existence of a PTFO in the seller's disclosure must be in substantially the following form:

*A private transfer fee obligation has been created with respect to this property. The private transfer fee obligation may lower the value of this property. The laws of this State prohibit the enforcement of certain private transfer fee obligations that are created on or after May 20, 2011 and impose certain notice requirements with respect to private transfer fee obligations that were created before May 20, 2011.*

---

For more information:

NRS: [111.825-111.880](#)

# **Seller's Real Property Disclosure**

## **⇒ Purpose of Disclosure**

The purpose of the Seller's Real Property Disclosure form is to make the buyer aware of the overall condition of the property before it is transferred. This disclosure is not a guarantee nor does it take the place of an inspection. In some cases a Seller has never lived on the property and may have no knowledge of the condition of the property. The Buyer is advised to obtain an independent inspection performed by a properly licensed home inspector. This form is not required for new home sales.

## **⇒ Who must provide the disclosure?**

The seller must complete the "Seller's Real Property Disclosure" form, detailing the condition of the property, known defects, and any other aspects of the property which may affect its use or value. A real estate licensee, unless he is the seller of the property, may not complete this form.

The form must be fully and properly completed. If the seller has no knowledge, "no" is an appropriate answer to the "Are you aware ..." questions. Each question must be answered with a mark in the corresponding "yes", "no" or in some cases "n/a" box. Explanations of any "yes" answers, and a properly executed signature by the seller, are also required. The buyer may only sign the form after full and proper completion by the seller.

A Buyer may rescind the contract without penalty if he does not receive a fully and properly completed Seller's Real Property Disclosure form. If a Buyer closes a transaction without a completed form or if a known defect is not disclosed to a Buyer, the Buyer may be entitled to treble damages, unless the Buyer waives his rights under NRS 113.150(6).

*(Continued on next page...)*

# **Seller's Real Property Disclosure**

*(Continued from previous page...)*

## **⇒ When is it due?**

The disclosure must be delivered to the buyer at least 10 days prior to conveyance of the property.

## **⇒ Additional Information**

The content of the disclosure is based on what the seller is aware of at the time. If, after completion of the disclosure form, the seller discovers a new defect or notices that a previously disclosed condition has worsened, the seller must inform the purchaser, in writing, as soon as practicable after discovery of the condition, or before conveyance of the property.

The buyer may not waive, and the seller may not require a buyer to waive, any of the requirements of the disclosure as a condition of sale or for any other purpose.

In a sale or intended sale by foreclosure, the trustee and the beneficiary of the deed of trust shall provide, not later than the conveyance of the property to, or upon request from, the buyer:

- written notice of any defects of which the trustee or beneficiary is aware; and
- the contact information of any asset management company who provided asset management services, if any defects are repaired or replaced or attempted to be repaired or replaced. The asset management company shall provide a service report to the purchaser upon request.

# **Seller's Real Property Disclosure**

If a Seller requests a Buyer to waive his rights or legal remedies under NRS 113.150 or otherwise, the Buyer should contact an attorney for advice regarding the legal consequences. A real estate licensee cannot explain the legal consequences of waiving a Buyer's legal rights or remedies.

EFFECTIVE JULY, 2017 the form includes the following 2 additional disclosures:

- whether solar panels are installed on the subject property. If yes, then disclose whether the solar panels are leased, owned or financed.
- whether the property is a participant in any conservation easement such as the Southern Nevada Water Authority's Water Smart Landscape Program. Seller shall inform the buyer about conservation easements or the potential for other types of conservation easements as required by the statutory language below:

Conservation Easements: The subject property \_\_\_\_ is OR \_\_\_\_ is not subject to a Restrictive Covenant and Conservation Easement established by Nevada Revised Statute 111.390-440 such as the Southern Nevada Water Authority's Water Smart Landscape Program.

---

*For more information:*

Form: [Seller's Real Property Disclosure](#)

Website: <http://red.nv.gov/uploadedFiles/rednvqov/Content/Forms/547.pdf>

NRS: [113.130](#); [113.140](#); [113.150](#)

NRS: [111.390-440](#)

# Water & Sewer Rates

## ⇒ Purpose of Disclosure

The purpose of the disclosure relating to water and sewer rates is to inform the buyer of a previously unsold home or improved lot of public utility rates when service is for more than 25 but fewer than 2,000 customers.

## ⇒ Who must provide the disclosure?

The seller must post a notice, which shows the current or projected rates, in a conspicuous place on the property.

## ⇒ When is it due?

The notice must be posted and a copy provided to the buyer before the home is sold.

## ⇒ Additional Information

The notice must contain the name, address and telephone number of the public utility and the Division of Consumer Complaint Resolution of the Public Utilities Commission of Nevada.

---

*For more information:*

NRS: [113.060](#)

# Lead-Based Paint

## ⇒ Purpose of Disclosure

The purpose of the lead-based paint disclosure is to make the buyer aware that the residential property (if built prior to 1978) may present exposure to lead.

## ⇒ Who must provide the disclosure?

Federal law requires that the seller disclose any known presence of lead-based paint hazards and provide the buyer with the EPA disclosure booklet, "Protect Your Family From Lead in Your Home," along with any other available records and/or reports.

## ⇒ When is it due?

The disclosure is on a federally prescribed form and must be made as a condition of the sale before conveyance of the property.

## ⇒ Additional Information

On the disclosure form, the buyer must acknowledge receipt of the EPA disclosure booklet and copies of lead reports, if available. Additionally, the buyer will receive a 10-day opportunity to conduct a risk assessment or may choose to waive this opportunity.

---

*For more information:*

Form: [Disclosure of Information on Lead-Based Paint](#)

Website: [Environmental Protection Agency \(Lead\)](#)

Phone: National Lead Information Center 1-800-424-LEAD

# Pool Safety and Drowning Prevention Disclosure

## ⇒ Purpose of Disclosure

The purpose of the Southern Nevada Health District's pool safety and drowning prevention disclosure is to make the buyer aware of the risk of death by drowning in private and public pools particularly for children 4 years or younger.

## ⇒ Who must provide the disclosure?

The information is provided by the Nevada Real Estate Division (NRED) in agreement with the Southern Nevada Health District (SNHD) to promote SNHD's efforts to inform the public on drowning prevention.

## ⇒ When is it due?

The disclosure will be provided to the buyer before the sales agreement is signed by way of the Residential Disclosure Guide in which it is contained. The buyer is advised to visit SNHD's website:

<http://www.southernnevadahealthdistrict.org/health-topics/drowning-prevention.php>.

## ⇒ Additional Information

Drowning is the leading cause of unintentional injury death in Clark County for children four years of age and under. The majority of drowning deaths occur in the family pool. Preventable mistakes include leaving a child unattended near a body of water in which a child's nose and mouth can be submerged.

More information on drowning facts, preventable mistakes, how to be prepared to prevent a drowning, pool security, drowning statistics, adult supervision and more can be obtained at SNHD's website at <http://www.southernnevadahealthdistrict.org/health-topics/drowning-prevention.php> and <http://www.getthehealthyclarkcounty.org/be-safe/index.php>.

# Miscellaneous Disclosures

*Depending upon the transaction, the following disclosures may also be required from a buyer, seller or licensee:*

## ⇒ AIRPORT NOISE

Buyers should investigate the impact of airport flight paths and the noise levels at different times of the day over that property.

## ⇒ BUILDING & ZONING CODES

The purpose of the building and zoning disclosure is to inform the buyer of transportation beltways and/or planned or anticipated land use within proximity of the subject property of which the seller has knowledge.

*For more information on building and zoning codes, contact your local jurisdiction.*

## ⇒ ENVIRONMENTAL HAZARDS

Although the seller is required to disclose the presence of environmental hazards, a statement that the seller is not aware of a defect or hazard does not mean that it does not exist. **It is the buyer's responsibility to be informed and take additional steps to further investigate.** Some potential hazards that may be found in Nevada include:

- **Radon** ([www.epa.gov/radon](http://www.epa.gov/radon))
- **Floods** (<http://www.floodsmart.gov>)
- **Methamphetamine Labs** (NRS 40.770 & 489.776)
- **Wood-Burning Devices** (<http://www.epa.gov/iaq/pubs/combust.html>)

*(Continued on next page...)*

# Miscellaneous Disclosures

*(Continued from previous page...)*

- **Underground Storage Tanks** (<http://epa.gov/oust/index.htm>)
- **Septic Systems** (<http://water.epa.gov/infrastructure/septic/>)
- **Wells** (<http://water.epa.gov/drink/info/well/index.cfm>)
- **Land and Cleanup** (<http://www2.epa.gov/learn-issues/learn-about-land-and-cleanup>)
- **Groundwater** (<http://water.epa.gov/drink/resources/topics.cfm>)
- **Public Pools & Spas** (<http://www.poolsafely.gov/>)
- **Molds and Moisture** (<http://www.epa.gov/mold/>)

*For more information on environmental hazards, visit:*  
[www.epa.gov](http://www.epa.gov).

## ⇒ **GAMING**

### **Initial Purchaser in New Construction Only**

If there is a gaming district near the property, the seller must disclose information which includes a copy of the most recent gaming enterprise district map, the location of the nearest gaming enterprise district, and notice that the map is subject to change. This disclosure is required for Nevada counties with population over 400,000.

The information must be provided at least 24 hours before the seller signs the sales agreement. The buyer may waive the 24-hour period.

The seller must retain a copy of the disclosure.

*For more information on gaming, see: [NRS 113.080](#)*

# Miscellaneous Disclosures

## ⇒ HOME INSPECTIONS

When obtaining an FHA-insured loan, this disclosure informs the buyer about the limits of the Federal Housing Administration appraisal inspection and suggests the buyer obtain a home inspection to evaluate the physical condition of the property prior to purchase. The form is entitled, "For Your Protection: Get a Home Inspection."

*For more information on FHA home inspections, visit:*  
[www.hud.gov](http://www.hud.gov).

## ⇒ MILITARY ACTIVITIES

The purpose of the Military Activities Disclosure is to make the purchaser of residential property aware of planned or anticipated military activity within the proximity of the property. Counties in which the military files Military Activities Plans include Clark County, Washoe County, Churchill County and Mineral County.

For more information on military activities plans in these counties, contact the local municipal jurisdiction or the Public Information Officer of the Military Installation in your county.

## ⇒ LICENSEE DISCLOSURES

In addition to the "Consent to Act" and the "Duties Owed by a Nevada Real Estate Licensee" forms (see pages 8 & 10), a real estate licensee is required to disclose other information such as his relationship to one or more parties in the transaction and/or having a personal interest in the property.

*For more information regarding duties and disclosures owed by a licensee, see: [NRS 645.252-645.254](#), [NAC 645.637](#) and [NAC 645.640](#).*

*(Continued on next page...)*

# Miscellaneous Disclosures

*(Continued from previous page...)*

## ⇒ **ROAD MAINTENANCE DISTRICT**

The sale of residential property within a road maintenance district is prohibited unless the seller provides notice to the purchaser, including the amount of assessments for the last two years. If the district has been in existence for less than 2 years before notice is provided to the purchaser, then the amount of assessments shall be given for the period since the district was created.

*For more information, see: [NRS 320.130](#).*

## ⇒ **SOIL REPORT (New Construction Only)**

If the property has not been occupied by the buyer more than 120 days before completion, the seller must give notice of any soil report prepared for the property or for the subdivision in which the property is located.

The seller must provide such notice upon signing the sales agreement.

Upon receiving the notice, the buyer must submit a written request within 5 days for a copy of the actual report. The seller must provide a free report to the buyer within 5 days of receiving such request.

Upon receiving the soil report, the buyer has 20 days to rescind the sales agreement. This rescission right may be waived, in writing, by the buyer.

*For more information, see: [NRS 113.135](#).*

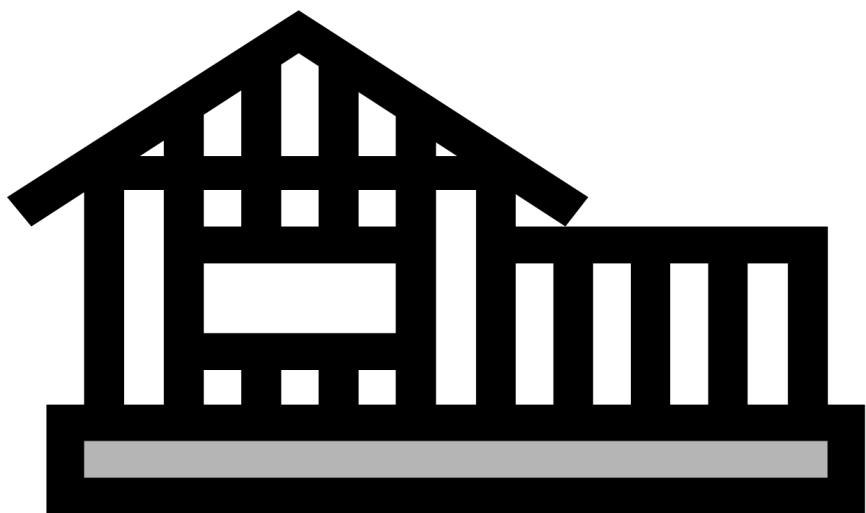
# Contact Information

---

<p><b>Nevada Real Estate Division (LV)</b>  3300 W Sahara Avenue, Suite 350  Las Vegas, NV 89102  Phone: (702) 486-4033  Fax: (702) 486-4275  Email: <a href="mailto:realest@red.nv.gov">realest@red.nv.gov</a>  Website: <a href="http://red.nv.gov">http://red.nv.gov</a></p>	<p><b>Nevada Real Estate Division (CC)</b>  1818 E. College Parkway, Suite 110  Carson City, NV 89706-7986  Phone: (775) 684-1900  Fax: (775) 687-4868  Email: <a href="mailto:realest@red.nv.gov">realest@red.nv.gov</a>  Website: <a href="http://red.nv.gov">http://red.nv.gov</a></p>
<p><b>Manufactured Housing Division (LV)</b>  3300 W Sahara Avenue, Suite 320  Las Vegas, NV 89102  Phone: (702) 486-4135  Fax: (702) 486-4309  Email: <a href="mailto:nmhd@mhd.state.nv.us">nmhd@mhd.state.nv.us</a>  Website: <a href="http://mhd.nv.gov">http://mhd.nv.gov</a></p>	<p><b>Manufactured Housing Division (CC)</b>  1830 E. College Pkwy., #120  Carson City, Nevada 89706  Phone: (775) 684-2940  Fax: (775) 684-2949  Email: <a href="mailto:nmhd@mhd.state.nv.us">nmhd@mhd.state.nv.us</a>  Website: <a href="http://mhd.nv.gov">http://mhd.nv.gov</a></p>
<p><b>Ombudsman Office (Common-Interest Communities)</b>  3300 W Sahara Avenue, Suite 325  Las Vegas, NV 89102  Phone: (702) 486-4480  Toll Free: (877) 829-9907  Fax: (702) 486-4520  Email: <a href="mailto:CICombudsman@red.nv.gov">CICombudsman@red.nv.gov</a>  Website: <a href="http://red.nv.gov/cic/">http://red.nv.gov/cic/</a></p>	<p><b>U.S. Environmental Protection Agency</b>  1200 Pennsylvania Avenue, N.W.  Washington, DC 20460  Phone: (202) 272-0167  Website: <a href="http://www.epa.gov">www.epa.gov</a></p>
<p><b>National Lead Information Center</b>  422 South Clinton Avenue  Rochester, NY 14620  Phone: (800) 424-LEAD  Fax: (585) 232-3111  Website: <a href="http://www2.epa.gov/lead/forms/lead-hotline-national-lead-information-center">http://www2.epa.gov/lead/forms/lead-hotline-national-lead-information-center</a></p>	<p><b>Department of Health and Human Services – Center for Disease Control &amp; Prevention</b>  1600 Clifton Road  Atlanta, GA 30333  Phone: 800-CDC-INFO (800-232-4636)  Website: <a href="http://www.cdc.gov">www.cdc.gov</a></p>
<p><b>U.S. Consumer Product Safety Commission</b>  4330 East West Highway  Bethesda, MD 20814  Phone: (301) 504-7923  Fax: (301) 504-0124  Website: <a href="http://www.cpsc.gov">www.cpsc.gov</a></p>	

*Nevada Real Estate Division*

---





# **RESIDENTIAL DISCLOSURE GUIDE**

---

I/We acknowledge that I/we have received a copy of the Residential Disclosure Guide.

DATE \_\_\_\_\_

\_\_\_\_\_  
Client—Print Name

\_\_\_\_\_  
Client—Signature

\_\_\_\_\_  
Client—Print Name

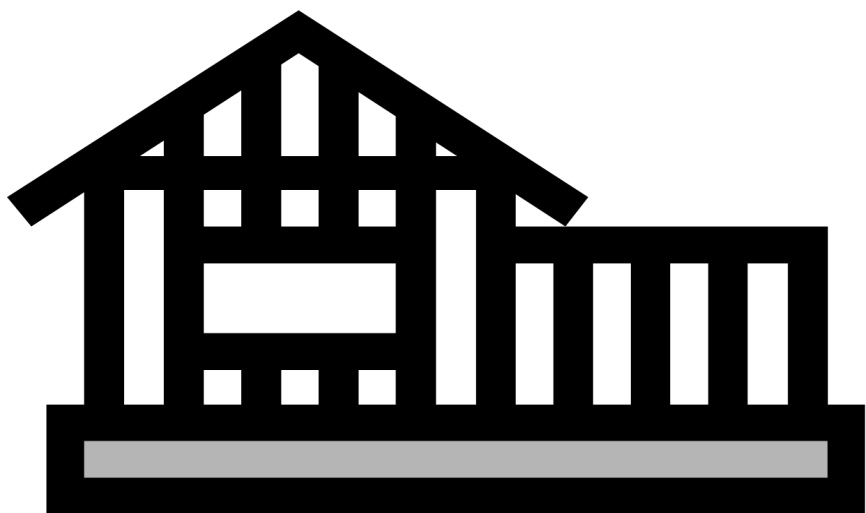
\_\_\_\_\_  
Client—Signature

Make copy of page for additional signatures.

Retain original or copy in each transaction file.

# *Nevada Real Estate Division*

---



## DECLARATION OF HOMESTEAD

FOR RECORDING STAMP

Assessor's Parcel Number (APN): \_\_\_\_\_

or

Assessor's Manufactured Home ID Number: \_\_\_\_\_

DO NOT WRITE  
IN THIS AREA

Recording Requested by and Mail to:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

**Check One:**

- ☐ Married (filing jointly)      ☐ Married (filing individually)  
☐ Widowed    ☐ Single Person      ☐ Multiple Single Persons      ☐ Head of Family  
☐ By Wife (filing for joint benefit of both)      ☐ By Husband (filing for joint benefit of both)  
☐ Other (describe): \_\_\_\_\_

**Check One:**

- ☐ Regular Home Dwelling/Manufactured Home      ☐ Condominium Unit    ☐ Other

**Name on Title of Property:**

\_\_\_\_\_ do individually or severally certify and declare as follows:

\_\_\_\_\_ is/are now residing on the land, premises (or manufactured home) located in the city/town of \_\_\_\_\_, County of \_\_\_\_\_, State of Nevada, and more particularly described as follows: (set forth legal description and commonly known street address or manufactured home description)

\_\_\_\_\_ I/We claim the land and premises hereinabove described, together with the dwelling house thereon, and its appurtenances, or the described manufactured home as a Homestead.

In witness, Whereof, I/we have hereunto set my hand/our hands this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print or type name here

\_\_\_\_\_  
Print or type name here

STATE OF NEVADA, COUNTY OF \_\_\_\_\_ This instrument was acknowledged before me on \_\_\_\_\_ (date)

Notary Seal

By \_\_\_\_\_  
Person(s) appearing before notary

By \_\_\_\_\_  
Person(s) appearing before notary

\_\_\_\_\_  
Signature of notarial officer

**CONSULT AN ATTORNEY IF YOU DOUBT THIS FORM FITS YOUR PURPOSE.**

**NOTE: Do not write in 1-inch margin. Rev.Feb 2010**

## ABANDONMENT OF HOMESTEAD

Assessor Parcel Number: \_\_\_\_\_

OR

Assessor's Manufactured Home ID Number: \_\_\_\_\_

Recording Requested by and Mail to:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

\_\_\_\_\_,  
resident of \_\_\_\_\_ County, Nevada, hereby abandons all claims to a homestead for the  
real property below described and forever releases and discharges such real property from any and all  
claims of homestead and particularly from any such claim under Declaration of Homestead recorded on  
\_\_\_\_\_, in Book \_\_\_\_\_, Official Records, Page \_\_\_\_\_,  
Document No. \_\_\_\_\_, \_\_\_\_\_ County Records.

Said real property is situate in \_\_\_\_\_ County, Nevada and is described as follows:

In Witness, Whereof, I/we have hereunto set my hand/our hands this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Print or type name here*

\_\_\_\_\_  
*Print or type name here*

STATE OF NEVADA, COUNTY OF \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_  
(date)

by \_\_\_\_\_  
*Person(s) appearing before notary*

by \_\_\_\_\_  
*Person(s) appearing before notary*

\_\_\_\_\_  
*Signature of notarial officer*

**CONSULT AN ATTORNEY IF YOU DOUBT THIS FORM'S  
FITNESS FOR YOUR PURPOSE.**

Notary Seal

**NOTE: Leave space within 1-inch margin blank on all sides.**

Oct. 2009

Form 655

# Acknowledgement

---

All Case Law examples were taken from the ARELLO Case Law Report (2015-2016)

These case law examples are presented by the Law and Regulation Committee

Association of Real Estate License Law Officials

Case Law Report (2015-2016)

Presented by the

**Law and Regulation Committee**

*The Law and Regulation Committee shall: a. monitor state/provincial/territorial and federal legislation and case law. b. monitor real estate trends and regulatory matters affecting the real estate industry, related industries, and the real estate consumer c. be responsible for maintaining and updating ARELLO white papers, model license law, and "best practices" documents pertaining to license law and regulation. d. timely communicate to the membership issues of vital interest to regulators. e. work to encourage greater uniformity of legislation, regulation and practice as well as increased recognition of others' licenses among jurisdictions around the world through the committee's activities. f. annually appoint a subcommittee to prepare the report on recent court decisions affecting real estate and its related fields. The subcommittee shall also prepare a written report on recent changes to legislation, regulations and rules affecting real estate and its related fields. Both reports should be made available to the Membership on an annual basis.*

COMMITTEE MEMBERS

David Raphael, Vermont.....Chairman

Kerri Lewis, Texas.....Vice Chairman

Patricia A. Anderson, Alabama	Judy Lowe, Arizona
George R. Bell, North Carolina	Charlene Moody, North Carolina
Marvis Brice, Idaho	Robert J. Ramseur, Jr., North Carolina
Terry Duggan, Iowa	Rhonda K. Richardson, Kentucky
Lesia Ford, Arkansas	Nael Salim Al Amir, Ajman
Richard Fryer, Florida	Janet Thoren, North Carolina
Ulani Prater Gulstone, Washington D.C.	Juana Watkins, Florida
Anthony Griffin, Alabama	Kimberly Wells, Ohio
Robert L. Kinnebrew, New Jersey	Michael W. Wooden, Kentucky

AFFILIATE MEMBERS

Carol Ann Adams  
Mike Matoush  
Jenny Pakula

Dave Marsh, ARELLO Consultant  
Marianne Sackett, Cover Design

## UNLICENSED ACTIVITY

### Compensation to the Owner of a Property Conducting Unlicensed Activity

Leany v. San Diego Steel Helds Group, Inc., et. al., 2016 U.S. Dist. LEXIS 38697 (2016)

United States District Court of the District of Nevada

Facts: Leany was manager of a company that entered into a contract to sell a property and pay the proceeds to another entity, Gerdau. Before it closed, Gerdau assigned its rights to the proceeds to San Diego Steel. San Diego Steel contacted Leany, who was not a licensed real estate broker, and asked him to renegotiate the terms of the contract with the buyer. Leany agreed and San Diego Steel agreed to pay him 25% of the net proceeds from the transaction, which would have been \$395,787.20. After the transaction closed, San Diego informed Leany that they would only pay him \$80,000. Leany sued, and San Diego removed the case to federal court and moved for dismissal because Leany was not a licensed broker and could therefore not recover a commission.

Issue: Whether Leany's ownership interest in the property being transferred entitled him to an exception to the Nevada real estate license law.

Held: Motion to dismiss granted. The court held that while Nevada real estate licensing law does have an exception that allows property owners to undertake some activities that require a real estate broker license, the exception is limited to the management of or investment in the property, and explicitly excludes sales activities. Because all of the actions Leany had claimed in his suit were related to the sale of the property, he was not entitled to recover the commission and the claim was dismissed, but Leany was given leave to amend.

## UNLICENSED ACTIVITY

### "Finders Fee" Not Permitted Without License

Mosley v. Triangle Townhouses, LLC, 170 So. 3d 1251 (2015)

Court of Appeals of Mississippi

Facts: Mosley, an unlicensed person, was allegedly promised a "finder's fee" if he found a buyer for an apartment complex owned by Triangle Townhouses, LLC. Mosley introduced CK Realty to Triangle and CK Realty purchased the apartment complex for \$6,000,000. Mosley sued Triangle for specific performance of a promise to pay Mosely a "a fair and equitable finder's fee if he found a buyer." Mosley asked the court for a more modest "finder's fee" of 3% to 5%, instead of the "standard real estate commission that would have been 6% to 10%" of the purchase price. Triangle filed a motion to dismiss, asserting that Mosley failed to state a claim because Mississippi law expressly prohibits anyone without a real estate broker's license to file an action to recover a real estate broker's fee. The trial court agreed that no theory could prevail over the clear public policy that anyone performing real estate broker services, even just one time, must be duly licensed. Mosley was not licensed, nor did he fall under a statutory exception. The trial court dismissed Mosley's action. Mosley appealed.

Issue: Whether Mosley was entitled to specific performance for a one-time "finder's fee," even if he was not licensed.

Held: Judgment affirmed. The trial court rightly dismissed the claim for a "finder's fee" because Mosley was not licensed as a real estate broker and the actions he claimed justified his compensation fell squarely within the statutory definition of a "real estate broker." Mosley did not allege to be a member or salaried employee of the seller, a bona fide owner of the property sold, or any person otherwise exempted. There is a clear public policy against unlicensed persons acting as real estate brokers, even for just one transaction.

Facts: Bistari Land appointed Mula Business Consultants as an exclusive consultant for a period of 60 days to secure a purchaser for land owned by Bistari. Mula did not find a purchaser. Two years later, Bistari again appointed Mula to find a purchaser and agreed to a 2% commission. This time, Mula found and delivered a ready buyer; however, a subsidiary of the buyer concluded the purchase and Mula was not paid. Mula was not registered as a real estate agent, and did not regularly conduct real estate business. Bistari claimed, among other defenses, that because Mula was not a registered real estate agent, it was not legally entitled to receive compensation and moved for summary judgment.

Issue: Whether Mula's isolated act amounted to the practice of real estate brokerage and entitled Bistari to summary judgment on the issue of compensation.

Held: Denied. The court held that, under the law of Kuala Lumpur, an isolated act can amount to real estate agency, but only if Bistari presented evidence that established Mula engaged in a system or a course of conduct which showed that it was holding itself out to the public as ready to act as an agent for the sale or other disposal of land for compensation in order to establish a real estate agency practice. Because Bistari had presented no evidence that Mula had engaged in any real estate brokerage practice, it was not entitled to summary judgment.

## UNLICENSED ACTIVITY

### **Finder's Fee Agreements Need Not Be Reduced To Writing**

Reinecker v. Kast, 2015 Cal. App. Unpub. LEXIS 4189 (2015)

Court of Appeal of California, Second Appellate District, Division One

Facts: In 2011, Kast ("Broker") was contacted by Diana Reinecker ("Finder") to discuss the possibility of acting as broker on the sale of a condominium owned by HSP, a company that employed Finder's sister. The proposition was that Finder's sister, who was not a licensed broker, would prepare all of the paperwork and handle all other aspects of the transaction,

and Broker would sign off on all paperwork requiring a broker's signature. In exchange, Broker would receive a fee of \$2,500, and Finder would receive the remainder of the sales commission as a finder's fee, which amount was \$38,000. Broker and Finder did not enter into any sort of written agreement regarding the commission split, nor did Broker enter into a listing agreement with HSP to sell the condominium. When the sale closed, Broker reneged on his agreement with Finder and refused to pay her a finder's fee. Finder sued Broker and won. Broker appealed.

Issue: Whether the verbal agreement to remit \$38,000 to Finder is enforceable under the law.

Held: Affirmed. California law permits unlicensed individuals to receive finder's fees resulting from a real estate transaction for introducing sellers or buyers to real estate brokers. Furthermore, when evidence indicates the existence of a verbal agreement, that agreement is enforceable.

## UNLICENSED ACTIVITY

### **No Commission on Incomplete Sale With One Act Performed by Unlicensed Individual**

Transnational Ventures, Inc., v. Derr Plantation, Inc., 2016 Miss. App. Lexis 99 (2016)

Court of Appeals of Mississippi

Facts: Transnational and its president, Pillat, are licensed real estate brokers in Georgia, but not Mississippi. Pillat, who is also a CPA, performed tax and other services for Derr Plantation, the owner of a Mississippi farm consisting of about 8,000 acres. On several occasions Derr told Pillat that it would sell the farm for a stated price and pay Pillat a commission from the sale proceeds. Pillat communicated and/or negotiated with potential buyers, none of whom purchased the farm. Most of the buyers were in Georgia, but one was in Mississippi. One of the potential purchasers told others, and eventually Swarek, made an offer to purchase. Pillat claimed that Derr told him he could keep any proceeds above \$6.5 million. Swarek's offer was for \$7 million. Derr later told Pillat that he would not pay a commission because Pillat did not refer Swarek to the owner. Pillat then asked Swarek

to make a new offer using a different entity name. Swarek did so, but the deal never closed. Swarek sued for specific performance and lost. Pillat sued Derr for a \$500,000 commission, alleging that Swarek was a ready, willing and able buyer. The trial court denied Pillat's claim, and he appealed.

Issue: Whether Pillat brought a ready, willing and able buyer and was entitled to a commission even though the contract was never consummated.

Held: Affirmed. The court noted that a broker is entitled to a commission when he procures a ready, willing and able purchaser, even if the owner declines to sell, subject to the specific terms of the contract. The owner verbally agreed to pay a commission from the proceeds a sale, but there was no sale and no proceeds, so no commission was owed. Where a principal indicates the price for which he will sell, but not the specific terms, the court noted a broker is entitled to a commission only upon a successful sale. Here Derr only stated a price, but not any other terms involving the homes, cattle and equipment on the farm. Since the agreement was not specific as to most terms and there was no sale, no commission was owed. Finally, the court noted that Mississippi's real estate licensing laws prohibit unlicensed persons and entities from suing for real estate commissions. Pillat cannot claim a commission even if only one of his negotiations on behalf of the owner occurred within Mississippi.

## UNLICENSED ACTIVITY

### Advertising by Licensed Entities from Other States

Twist Architecture & Design, Inc. v. Oregon Bd. of Architect Exam'rs, 276 Ore. App. 557 (2016)

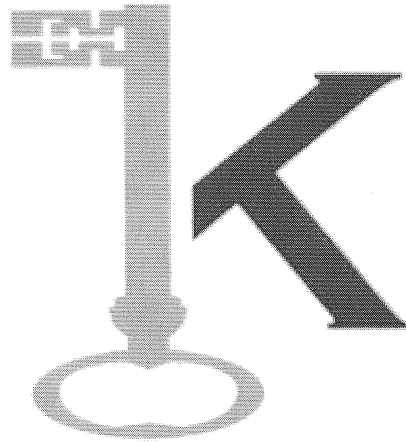
Court of Appeals of Oregon

Facts: Callison, an architect, and Hansen, who was unlicensed, formed Twist, an architecture firm in Washington. Twist entered into an agreement with Gramor Development to perform designs for three future building projects in Oregon. Each design contained Twist's logo and the words "architecture" and "design." Twist's website contained biographies for Callison and Hansen, which stated "Licensed in the

State of Oregon (Pending)." Both planned to obtain licensure in Oregon but never did, yet they each listed the projects with Gramor under "Selected Experience." The board issued notice of intent to impose a civil penalty against Twist for the practice of unlicensed architecture. A hearing was conducted and an administrative law judge found that Twist violated rules by using the phrase "Licensed in the State of Oregon (Pending)" and referencing the Gramor projects in its biographies on Callison and Hansen. The board issued a final order for violations, and imposed \$10,000 penalties against Callison and Hansen. Twist sought judicial review.

Issue: Whether there was sufficient evidence to indicate that Twist engaged in the unlicensed practice of architecture and advertised in a manner suggesting that it practiced architecture in Oregon.

Held: Reversed. Twist constructed drawings in the abstract, rather than for the necessary construction of buildings. Gramor employees testified that Twist's work was only to determine if construction was feasible, not for plans to construct a particular building. Thus, Twist did not engage in unlicensed architecture. Since Twist only used the term "architecture" with nothing more, there is no rational basis to link the term to the practice of architecture in Oregon. Stating that its license in Oregon was pending similarly did not represent licensed practice in Oregon. However, since Twist used the phrase "architectural design" for the pictures of the Oregon projects on its website, it did violate the statute and rule against advertising the unlicensed practice of architecture. The board abused its discretion in imposing the \$10,000 civil penalties, and the case was remanded for further consideration.



**NEVADA REAL ESTATE DIVISION**  
3300 W. Sahara Ave., Suite 350, Las Vegas, Nevada 89102  
(702) 486-4033 \* <http://red.nv.gov/>

**CLASSROOM CONTENT AND INSTRUCTOR EVALUATION REPORT**

☒ POSTLICENSING EDUCATION    ☐ CONTINUING EDUCATION (Check relevant box)

COURSE TITLE: Module J & F  
CE/POST #: POST.08014-RE HOURS: 3 DATE: \_\_\_\_\_  
SPONSOR: Key Realty School  
INSTRUCTOR: \_\_\_\_\_

	<u>Excellent</u>	<u>Average</u>	<u>Not Acceptable</u>
I. <u>INSTRUCTOR:</u>			
Knowledge of course content	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Questions answered/Examples used	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Presented all topics on outline	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Timely start and finish of class	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ability to control disruptions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
II. <u>CONTENT/MATERIALS:</u>			
Course objectives/outcomes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Organization of materials	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Practical value of content	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Value of resource materials*	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Content and materials current	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

For "Not Acceptable" rating(s) state your reasons.

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

Other comments regarding the course and/or instructor.

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

Name (optional): \_\_\_\_\_ Date: \_\_\_\_\_

\* Any supplemental/additional information such as useful websites, case studies, articles from publications, etc.

NOTE: No exceptions to this format without Division's prior approval.