



“EXPLAINING CRITICAL CONTRACT CLAUSES”



3 Hours of Contracts Continuing Education

CE.6891000-RE

Approved by the Division on Behalf of the Commission

Participant Outline

MEET JOE:

Joe Fitzpatrick graduated from The University of Nevada, Las Vegas in 1985 and began his career with Coldwell Banker in Margate, Florida, listing and selling real estate. Joe went on to manage the North Miami office and opened Century 21 Fitzpatrick Realty with family. The firm became the top-ranked Century 21 company in Broward County, Florida.



In 1991, Joe returned to Las Vegas where he began teaching and authoring real estate courses. He also continued on as Vice-President of Century 21 MoneyWorld, which was consistently ranked among the top 10 Century 21 firms in the world where he led the education division among other duties.

Joe has authored and published over 30 real estate licensing textbooks and courses available on Amazon.com and which have been approved for utilization in several states. He made a few stops along the way including being the Education Director at LVR. You may recognize his voice from other online sites. Living through sellers' markets and buyer's markets, Joe has experienced interest rate fluctuations of 17.5% and 2%. He knows what it takes to stay successful in the business no matter what the market conditions may be.

In 2021, Joe opened Fitzpatrick Real Estate School and continues to practice real estate in addition to his other responsibilities. We trust you will find Mr. Fitzpatrick's courses to be informative, interesting, and entertaining too.

- **CE Agreement**

The student participant must:

- not miss more than 10 minutes of a 3-hour course; 15 minutes for internet connection issues.
- direct their attention to the instruction being provided and refrain from engaging in activities unrelated to the instruction and distracting.
- always have their cameras on and pointed to the student while the class is in session, excluding breaks.
- in Zoom, display the name under which they registered.
- must always have audio muted except when speaking to the group.
- participate and respond when asked to by the instructor.
- conduct themselves as they would in an in-person classroom setting.
- be appropriately dressed for a classroom setting.
- refrain from engaging in any activity that would be distracting to the instructor or fellow attendees such as using electronic/computer devices unrelated to the instruction, cell phone use, having conversations with other people, walking around, driving/riding in a vehicle, cooking, cleaning, etc.
- complete the course evaluation immediately upon the conclusion of the course.

Course Overview:

We deal with several contracts in our business:

- Listing Contracts (ER)
- Buyer Brokerage Representation Agreements (BBRA)
- Purchase Agreements (RPA)

Contract Clauses

- We may have an *understanding* of what the contracts say, but how good are we at *explaining* contract language to our clients? Do we understand and communicate the impact of these clauses on our clients? This course is designed to sharpen your presentation of these critical contract clauses to your clients.

While we strive for excellence in explaining contracts to our clients, we must be careful not to engage in the unauthorized practice of law.

NRS 645.254 Additional duties of licensee entering into brokerage agreement to represent client in real estate transaction. A licensee who has entered into a brokerage agreement to represent a client in a real estate transaction:

6. Shall advise the client to obtain advice from an expert relating to matters which are beyond the expertise of the licensee;

I. CRITICAL LISTING CONTRACT CLAUSES (Rev 0724)



EXCLUSIVE AUTHORIZATION AND RIGHT TO SELL, EXCHANGE, OR LEASE BROKERAGE LISTING AGREEMENT (ER)



This is intended to be a legally binding contract. No Representation is made as to the legal or tax consequences of this contract. If you desire legal or tax advice, consult your attorney or tax advisor.

TERMS	OPEN	EXCLUSIVE AGENCY	EXCLUSIVE RIGHT TO SELL
The broker is entitled to a commission if that broker produces a ready, willing, and able buyer.	YES	YES	YES
The seller offers exclusivity to broker.	NO	YES	YES
The seller may sell the property himself without owing a commission.	YES	YES	NO

Paragraph 2

17 Seller ☐ **does** -OR- ☐ **does not** authorize Broker to disclose the existence of multiple offers to purchase the property to
18 potential buyers. SELLER(S) INITIALS: _____ / _____ / _____ / _____
19
20 Seller ☐ **does** -OR- ☐ **does not** authorize Broker to disclose the offer(s), price and terms.
21 SELLER(S) INITIALS: _____ / _____ / _____ / _____

Paragraph 3

23 **3. PROPERTY OFFERED FOR SALE:** The listing price noted above includes the Property and all improvements and
24 fixtures permanently affixed and installed.
25 a. The following items of Personal Property are **included** in the above price and shall be conveyed unencumbered
26 in escrow by a valid bill of sale:
27 _____
28 _____
29 _____
30 b. The following items of Personal Property are **excluded** from the above price and not included in the sale:
31 _____
32 _____
33 _____
34 c. This property **Does Contain** ☐ -OR- **Does Not Contain** ☐ SMART technology which powers and/or automates,
35 not limited to, surveillance systems, security, environmental controls and home entertainment features. If the property
36 so does contain SMART Technology seller will complete a SMART Home Disclosure which is incorporated as part of
37 this agreement and identifies the items seller intends to convey with the sale. All Attached Fixtures must convey unless
38 identified above.

Paragraph 5

11 **5. COMPENSATION TO BROKER:** COMPENSATION/COMMISSIONS ARE NOT SET BY LAW OR BY ANY
12 REALTOR® ASSOCIATION. THEY ARE FULLY NEGOTIABLE. If during the Listing Term, Seller sells the
13 property and the sale closes, or the sale fails to close due to Seller's breach of the terms of the Residential Purchase and
14 Sale Agreement, Seller shall pay the following:
15
16 The Seller agrees to pay a commission of _____% ☐ and / ☐ or \$_____ of the final sale price or lease amount to
17 the Listing Broker upon the successful closing of the subject property. This commission is exclusively for the Listing
18 Broker's services and is not subject to sharing, splitting, or otherwise distributing to any Buyer's Broker or agent. The
19 Seller acknowledges that any commission arrangement with a Buyer's Broker, if applicable, must be covered by a
20 separate agreement/Residential Purchase Agreement and is not covered under this Listing Agreement.

22 Compensation shall be due:

23 a. if the Property is sold or leased by Broker, or through any other person including Seller, on the above terms
24 or any other price and terms acceptable to Seller during the above time period or any extension of said time period;
25

26 b. if the Property is transferred, conveyed, leased, rented, or made unmarketable by a voluntary act of Seller
27 without the consent of Broker, during the time period or any extension of said time period;
28

29 c. if within _____ calendar days of the final termination, including extensions, of this Agreement, the
30 Property is sold, conveyed, or otherwise transferred to anyone with whom the Broker has had negotiations or to whom
31 the Property was shown prior to the final termination. This section (c) shall not apply if Seller enters into a valid
32 Brokerage Listing Agreement with another licensed real estate Broker after the final termination of this Exclusive
33 Brokerage Listing Agreement.

Paragraph 14

28 **14. RENT/LEASE:** The Property ☐ **is -OR- ☐ is not** currently occupied by a Tenant.

29 The Property ☐ **is -OR- ☐ is not** subject to a management agreement with: (name of Property Manager and phone
30 number):_____. Seller agrees to not rent or lease
31 the Property during the term of this Agreement without fourteen (14) days prior written notice to Broker.

Paragraph 16

1 **16. MEDIATION:** The Broker and Seller agree to negotiate in good faith in an effort to resolve any dispute related
2 to this Listing Agreement that may arise between the parties. If the dispute cannot be resolved by negotiation, the dispute
3 will be submitted to a mediator agreed to by the parties. Mediation fees, if any, shall be divided equally among the
4 parties involved. In no event, shall Seller sue the Broker or be party to any class action litigation against Broker or
5 related entities. By initialing below, the parties confirm that they have read and understand this section and voluntarily
6 agree to the provisions thereof.
7

8 **SELLER(S) INITIALS:** _____/_____/_____/_____ **BROKERS INITIALS:** _____/_____

Paragraph 21

15 **21. OFFICE EXCLUSIVE:** Seller does not authorize Broker to disseminate listing information about the Property via
16 GLVAR MLS. However, Seller acknowledges and agrees that Broker will file the fully executed Office Exclusive Form
17 with GLVAR MLS in accordance with GLVAR MLS Rules and Regulations. Further, Seller acknowledges and agrees
18 that if there is any Public Marketing of an Office Exclusive listing, then Broker must submit the listing to GLVAR MLS
19 for dissemination to its participants within one (1) business day of the Public Marketing. Public Marketing includes, but
20 is not limited to, flyers displayed in windows, yard signs, digital marketing on public facing websites, brokerage website
21 displays (including IDX and VOW), digital communications marketing (email blasts), multi-brokerage listing sharing
22 networks, and applications available to the general public.

23 Seller ☐ **does -OR- ☐ does NOT** select an Office Exclusive listing. (Seller may not select this option if Seller has
24 authorized marketing/advertising in Section 18.)
25

26 **SELLER(S) INITIALS:** _____/_____/_____/_____

II. CRITICAL BUYER BROKERAGE REPRESENTATION AGREEMENT CLAUSES (Rev 0824)



BUYER BROKERAGE REPRESENTATION AGREEMENT



This agreement is designed to allow a buyer to engage a qualified, licensed professional for the purpose of viewing property, and receiving contract negotiation and advocacy services throughout the entire real estate offer and purchase process, for the types of property described below.

☐ **EXCLUSIVE Agreement**
(NOT working with another agent)

☐ **NON-Exclusive Agreement**

1. **PROPERTIES.** The undersigned buyer (“Buyer”) engages the undersigned brokerage firm (“Broker”) to represent Buyer concerning Buyer’s purchase of the below-selected real property type(s) situated in the following locations (“Geographic Area”). Any real property introduced to Buyer, by Broker, in the Geographic Area shall be referred to as the “Property.”

☐ Residential
 ☐ Investment
 ☐ Commercial
 ☐ Vacant Land
 ☐ Custom Build Job
 ☐ New Home
☐ Other: _____

Applicable City(s) _____

Other Description (i.e., geographical area, zip code, single or multiple family, etc.): _____

Paragraph 2 & 3

2. **LENGTH OF AGREEMENT.** Subject to Section 14, this agreement begins on the date last signed by Buyer and Broker, and automatically ends on _____ (at 11:59 p.m.), or upon the closing of a transaction, whichever is later (the “Term”).

3. **BROKER FEE.** Buyer agrees to pay Broker, as provided below (the “Broker Fee”) for any Properties involving the Broker’s efforts under Section 5. **The Broker Fee is NOT set by law or by any REALTOR® Association and is fully negotiable.** The Broker Fee is (check those that apply):

☐ ____% of the gross purchase price of the Property (as reflected on the final settlement statement)
☐ Exactly \$ _____;
☐ \$ _____ (to be paid towards _____)

The Broker Fee is due and payable upon successful closing. If Buyer enters into an agreement to purchase any Property(ies), shown to them by this licensee, within ____ days following the expiration or earlier cancellation of this agreement, then Buyer shall pay the Broker Fee to Broker upon closing. The Broker Fee shall be in U.S. currency and paid at the time, and as a condition, of closing. This agreement shall act as escrow instructions for payment of the Broker Fee to Broker. This Section 3 shall survive the expiration or earlier cancellation of this agreement.

Paragraph 4

4. **COLLECTING BROKER’S FEE FROM THE SELLER.** Buyer may choose to negotiate that the Broker Fee be paid, in whole or in part, by the seller as a credit to Buyer at closing and/or by the seller directly to Broker at closing. At Buyer’s instruction, Broker will include either or both of these in Buyer’s offer to purchase a property, and Broker will help Buyer negotiate these with a seller. Broker will not retain any amount from any source that exceeds the amount agreed above.

Paragraph 6, 7, and 8

6. **BROKER’S EFFORTS**. Broker will exercise good faith efforts to: (a) locate and present suitable Properties to Buyer; (b) tour and prepare detailed analysis of specific properties per Buyer’s request; (c) help Buyer prepare, negotiate, and secure a contract to purchase one or more Properties; (d) cooperate with any real estate licensee working with the seller to facilitate and complete the Buyer’s purchase of the property; and (e) perform other services as needed and requested by Buyer.
7. **BUYER’S REPRESENTATIONS AND DUTIES**.
- a. BUYER AGREES TO WORK EXCLUSIVELY with Broker and not with any other Broker, unless marked otherwise on pg 1.
 - b. BUYER AGREES TO FURNISH Broker with all relevant data, records, documents, and other information including loan pre-approval letters and proof of funds to purchase upon request of Broker and authorizes Broker to furnish copies to prospective Sellers, Landlords, Optionors, or Exchangers.
 - c. BUYER AGREES TO BE AVAILABLE to examine property(s) and responding in a timely manner to communications from Broker.
 - d. BUYER AGREES TO ACT IN GOOD FAITH to acquire the Property and conduct any and all inspections of the Property that Buyer deems material and/or important.
 - e. NEW HOMES/ LOT SALES: Some Sellers, (particularly new home subdivisions, open houses and for-sale-by-owner), will not compensate Broker unless Broker makes the first visit with Buyer. If Buyer makes a first visit without Broker, Buyer agrees to compensate Broker as stated in section 3, Broker Fee.
8. **FOR BEST EXPERIENCE**. Buyer is encouraged to be accompanied by Broker on Buyer’s first visit to the Property, and to conduct all negotiations for the Property in good faith, and exclusively through Broker. Buyer understands that signing more than one buyer-broker representation agreement for any overlapping period of time could expose Buyer to liability for paying additional fees. Buyer is not a party to any active, exclusive buyer-broker representation agreements.

Buyer is a party to _____ (insert number) active, non-exclusive buyer brokerage agreements.

9-14. “Boiler Plate” Paragraphs and Signatures

III. CRITICAL RPA CLAUSES (Rev 1025)



RESIDENTIAL PURCHASE AGREEMENT

(Joint Escrow Instructions)

Buyer's Offer

1. FINANCIAL TERMS & CONDITIONS:

\$ _____ **A. EARNEST MONEY DEPOSIT** (“EMD”) is evidenced by:

☐ Check ☐ Wire transfer ☐ Other: _____

The EMD shall be deposited within one (1) or _____ business day(s) following the date of Acceptance (as defined in Section 24) into the account of: ☐ Escrow Holder, ☐ Buyer's Broker Trust Account **OR** ☐ Seller's Broker's Trust Account.

\$ _____ **B. ADDITIONAL DEPOSIT** to be placed in escrow on or before (date) _____. The additional deposit ☐ will **—OR—** ☐ will not be considered part of the EMD. (Any conditions on the additional deposit should be set forth in Section 30 herein.)

\$ _____ **C. THIS AGREEMENT IS CONTINGENT UPON BUYER QUALIFYING FOR A NEW LOAN:**

☐ Conventional ☐ FHA ☐ VA ☐ Other (specify) _____.

\$ _____ **D. THIS AGREEMENT IS CONTINGENT UPON BUYER QUALIFYING TO ASSUME THE FOLLOWING EXISTING LOAN(S):**

Interest ☐ Fixed rate, _____ years **—OR—** ☐ Adjustable Rate, _____ years. Seller further agrees to provide the Promissory Note and the most recent monthly statement of all loans to be assumed by Buyer within FIVE (5) calendar days following the date of Acceptance.

\$ _____ **E. BUYER TO EXECUTE A PROMISSORY NOTE SECURED BY DEED OF TRUST PER TERMS IN THE “FINANCING ADDENDUM” which is attached hereto.**

\$ _____ **F. BALANCE OF PURCHASE PRICE** (Balance of Down Payment) in Good Funds to be paid prior to Close of Escrow (“COE”).

\$ _____ **G. TOTAL PURCHASE PRICE** (This price DOES NOT include closing costs, prorations, or other fees and costs associated with the purchase of the Property as defined herein.

Each party acknowledges that he/she has read, understood, and agrees, to each and every provision of this page unless a particular paragraph is otherwise modified by addendum or counteroffer.

Buyer's Name(s): _____ BUYER(S) INITIALS: ____/____/____/____

Property Address: _____ SELLER(S) INITIALS: ____/____/____/____

Residential Purchase Agreement Rev. 10/25

©2022 Greater Las Vegas Association of REALTORS®

Page 1 of 11

Paragraph 2

1 **2. BUYER REPRESENTATIVE/BUYER BROKER COMPENSATION:** At the close of escrow or the exchange of
 2 the subject property, Seller shall pay the Buyer’s Representative/Buyer’s Broker (“Buyer’s Representative/Buyer’s
 3 Broker”) _____ % of the gross sales price of the property or \$ _____. Upon execution of this Residential
 4 Purchase Agreement or subsequent Counter Offer(s), this clause is no longer negotiable exclusively between Buyer
 5 and Seller and any modification thereafter must be ratified in writing by the Buyer’s Representative/Buyer’s Broker.
 6

Paragraph 3

7 **3. ADDITIONAL FINANCIAL TERMS & CONTINGENCIES:**
 8
 9 **A. NEW LOAN APPLICATION:** Within _____ business days following the date of Acceptance, Buyer agrees
 10 to (1) submit completed loan application to a lender of Buyer’s choice and (2) furnish a preapproval letter to
 11 Seller based upon a standard factual credit report and review of debt-to-income ratios. If Buyer fails to complete
 12 any of these conditions within the applicable time frame, Seller reserves the right to terminate this Agreement. In
 13 such event, both parties agree to cancel the escrow and return EMD to Buyer. Buyer shall use Buyer’s best efforts
 14 to obtain financing under the terms and conditions outlined in this Agreement.
 15
 16 **B. APPRAISAL CONTINGENCY:** Buyer’s obligation to purchase the property is contingent upon the property
 17 appraising for not less than the Purchase Price. If after the completion of an appraisal by a licensed appraiser,
 18 Buyer receives written notice from the lender or the appraiser that the Property has appraised for less than the
 19 purchase price (a “Notice of Appraised Value”) Buyer may attempt to renegotiate or cancel the RPA by providing
 20 written notice to the Seller (with a copy of the Appraisal) no later than _____ calendar days following the date
 21 of Acceptance of the RPA; whereupon Buyer is entitled to a whole refund of their EMD, referenced in Section
 22 1(A), by a fully cooperated and executed cancellation of escrow instructions and the release of Buyer’s funds
 23 through their reserved right to cancel pursuant to this contingency per NRS 645A.175. **IF this Residential**
 24 **Purchase Agreement is not cancelled, in writing on or before the Appraisal Deadline, Buyer shall be**
 25 **deemed to have waived the appraisal contingency.**
 26
 27 **C. LOAN CONTINGENCY:** Buyer’s obligation to purchase the property is contingent upon Buyer obtaining the
 28 loan referenced in Section 1(C) or 1(D) of the RPA unless otherwise agreed in writing. Buyer shall remove the
 29 loan contingency in writing, attempt to renegotiate, or cancel the RPA by providing written notice to the Seller
 30 no later than _____ calendar days following the date of Acceptance of the RPA; whereupon Buyer is entitled
 31 to a whole refund of their EMD, referenced in Section 1(A), by a fully cooperated and executed cancellation of
 32 escrow instructions and the release of Buyer’s funds through their reserved right to cancel pursuant to this
 33 contingency per NRS 645A.175. **IF this Residential Purchase Agreement is not cancelled, in writing on or**
 34 **before the Loan Contingency Deadline, Buyer shall be deemed to have waived the loan contingency.**
 35

Paragraph 4

40 **4. SALE OF OTHER PROPERTY:**
 41
 42 **A.** This Agreement is NOT contingent upon the sale of any property owned by the Buyer. —**OR**—
 43
 44 **B.** ☐ (if checked): The attached Contingent Upon Sale Addendum is hereby incorporated into this agreement.
 45

1 a fully cooperated and executed cancellation of escrow instructions and the release of Buyer’s funds through their
 p 2 reserved right to cancel pursuant to this provision (NRS 645A.175) or (ii) no later than the Due Diligence Deadline
 3 referenced in Section 8, resolve in writing with Seller any objections Buyer has arising from Buyer’s Due
 4 Diligence.
 5

6 **C. FAILURE TO CANCEL OR RESOLVE OBJECTIONS:** If Buyer fails to cancel the Residential Purchase
 7 Agreement or fails to resolve in writing with Seller any objections Buyer has arising from Buyer’s Due Diligence, as
 8 provided in Section 8, **Buyer shall be deemed to have waived the Due Diligence Condition.**

9 **BUYER’S INITIALS:**
 10 shutters, window coverings, attached floor covering(s), television antenna(s), satellite dish(es), private integrated
 11 telephone systems, air coolers/conditioner(s), pool/spa equipment, garage door opener(s)/remote control(s), mailbox,
 12 in-ground landscaping, trees/shrub(s), water softener(s), water purifiers, security systems/alarm(s).
 13

14 The following additional items of personal property are also included:
 15
 16
 17
 18

Paragraph 8

28 **8. BUYER’S DUE DILIGENCE:** Buyer’s obligation ☐ is –OR– ☐ is not conditioned on the Buyer’s Due Diligence as
 29 defined in this section 8(A) below. This condition is referred to as the “Due Diligence Condition”. If checked in the
 30 affirmative, Sections 8 (A) through (C) shall apply. Otherwise, they do not. Buyer shall have _____ calendar days
 31 following the date of Acceptance of the RPA (as defined in Section 24 herein) to complete Buyer’s Due Diligence.
 32 Seller agrees to cooperate with Buyer’s Due Diligence. **Seller shall ensure that all necessary utilities (gas, power
 33 and water) and all operable pilot lights are on for Buyer’s investigations and through the close of escrow.**
 34

35 **A. PROPERTY INSPECTION/CONDITION:** During the Due Diligence Period, Buyer shall take such action as
 36 Buyer deems necessary to determine whether the Property is satisfactory to Buyer, including, but not limited to,
 37 whether the Property is insurable to Buyer’s satisfaction, whether there are unsatisfactory conditions surrounding
 38 or otherwise affecting the Property (such as location of flood zones, airport noise, noxious fumes or odors,
 39 environmental substances or hazards, whether the Property is properly zoned, locality to freeways, railroads,
 40 places of worship, schools, golf courses, etc.) or any other concerns Buyer may have related to the Property.
 41 During such Period, Buyer shall have the right to conduct, non-invasive/ non-destructive inspection of all
 42 structural, roofing, mechanical, electrical, plumbing, heating/air conditioning, water/well/septic, pool/spa, survey,
 43 square footage, and any other property or systems, through licensed and bonded contractors or other qualified
 44 professionals. Seller agrees to provide reasonable access to the Property to Buyer and Buyer’s inspectors. Buyer
 45 agrees to indemnify and hold Seller harmless with respect to any injuries suffered by Buyer or third parties present
 46 at Buyer’s request while on Seller’s Property conducting such inspections, tests or walk-throughs. Buyer’s
 47 indemnity shall not apply to any injuries suffered by Buyer or third parties present at Buyer’s request that are the
 48 result of an intentional tort, gross negligence or any misconduct or omission by Seller, Seller’s Agent or other
 49 third parties on the Property. Buyer is advised to consult with appropriate professionals regarding neighborhood
 50 or Property conditions, including but not limited to: schools, proximity and adequacy of law enforcement;
 51 proximity to commercial, industrial, or agricultural activities; crime statistics; fire protection; other governmental
 52 services; existing and proposed transportation; construction and development; noise or odor from any source; and
 53 other nuisances, hazards or circumstances. If Buyer cancels this Agreement due to a specific inspection report,
 54 Buyer shall provide Seller at the time of cancellation with a copy of the report containing the name, address, and
 55 telephone number of the inspector.
 56

57 **B. BUYER’S RIGHT TO CANCEL OR RESOLVE OBJECTIONS:** If Buyer determines, in Buyer’s sole
 58 discretion, that the results of the Due Diligence are unacceptable, Buyer may either: (i) no later than the Due
 59 Diligence Deadline referenced in Section 8, cancel the Residential Purchase Agreement by providing written
 60 notice to the Seller, whereupon Buyer is entitled to a whole refund of their EMD, referenced in Section 1(A), by

a fully cooperated and executed cancellation of escrow instructions and the release of Buyer’s funds through their reserved right to cancel pursuant to this provision (NRS 645A.175) or (ii) no later than the Due Diligence Deadline referenced in Section 8, resolve in writing with Seller any objections Buyer has arising from Buyer’s Due Diligence.

C. FAILURE TO CANCEL OR RESOLVE OBJECTIONS: If Buyer fails to cancel the Residential Purchase Agreement or fails to resolve in writing with Seller any objections Buyer has arising from Buyer’s Due Diligence, as provided in Section 8, **Buyer shall be deemed to have waived the Due Diligence Condition.**

BUYER’S INITIALS: / / /

D. INSPECTIONS: Acceptance of this offer is subject to the following reserved right. Buyer may have the Property inspected and select the licensed contractors, certified building inspectors and/or other qualified professionals who will inspect the Property. Seller will ensure that necessary utilities (gas, power and water and all operable pilot lights) are turned on and supplied to the Property within two (2) business days following the date of Acceptance of this Agreement, to remain on until close of escrow (“COE”). It is strongly recommended that Buyer retain licensed Nevada professionals to conduct inspections. If any inspection is not completed and requests for repairs are not delivered to Seller within the Due Diligence Period, Buyer is deemed to have waived the right to that inspection and Seller’s liability for the cost of all repairs that inspection would have reasonably identified had it been conducted, except as otherwise provided by law. The foregoing expenses for inspections will be paid outside of Escrow unless the Parties present instructions to the contrary prior to COE, along with the applicable invoice. (Identify which party shall pay for the inspection noted below either: SELLER, BUYER, 50/50, WAIVED OR N/A.)

Type	Paid By	Type	Paid By	Type	Paid By
Home Inspection		Termite Inspection		Soil Inspection	
Pool/Spa Inspection		Pest Inspection		Survey (type):	
Roof Inspection		Septic Lid Removal		Fungal Contaminant	
HVAC/Furnace Inspection		Septic Pumping		Air Quality Testing	
Electrical Inspection		Septic Inspection		Radon Testing	
Plumbing/Sewer Inspection		Well Inspection		Lead Based Paint Testing	
Structural Inspection		Water Quality Report		Elevator	
Wood-Burning Device/Chimney Inspection		Water Quantity Report		Other:	

F. BUYER’S REQUEST FOR REPAIRS: It is Buyer’s responsibility to inspect the Property sufficiently as to satisfy Buyer’s use. Buyer reserves the right to request repairs, based upon the Seller’s Real Property Disclosure or items which materially affect value or use of the Property revealed by an inspection, certification or appraisal. Items of a general maintenance or cosmetic nature which do not materially affect value or use of the Property, which existed at the time of Acceptance, and which are not expressly addressed in this Agreement are deemed accepted by the Buyer, except as otherwise provided in this Agreement. The Brokers herein have no responsibility to assist in the payment of any repair, correction or deferred maintenance on the Property which may have been revealed by the above inspections, agreed upon by the Buyer and Seller or requested by one party.

Paragraph 9

1 9. **FEES, AND PRORATIONS** (Identify which party shall pay the costs noted below either: SELLER, BUYER, 50/50,
2 WAIVED or N/A.)
3

4 **A. TITLE, ESCROW & APPRAISAL FEES:**

<u>Type</u>	<u>Paid By</u>	<u>Type</u>	<u>Paid By</u>	<u>Type</u>	<u>Paid By</u>
Escrow Fees		Lender's Title Policy		Owner's Title Policy	
Real Property Transfer Tax		Appraisal		Other:	

Paragraph 11

40 11. **COMMON-INTEREST COMMUNITIES:** If the Property is subject to a Common Interest Community (“CIC”),
41 Seller shall provide **AT SELLER’S EXPENSE the CIC documents as required by NRS 116.4109** (collectively,
42 the “resale package”). Seller shall request the resale package within two (2) business days following the date of
43 Acceptance and provide the same to Buyer within one (1) business day of Seller’s receipt thereof.

- 44 • Pursuant to NRS 116.4109, Buyer may cancel this Agreement without penalty until midnight of the fifth
45 (5th) calendar day following the date of receipt of the resale package. If Buyer elects to cancel this Agreement
46 pursuant to this statute, he/she must deliver, via hand delivery, prepaid U.S. mail, or electronic transmission, a
47 written notice of cancellation to Seller or his or her authorized agent.
- 48 • If Buyer does not receive the resale package within fifteen (15) calendar days following the date of
49 Acceptance, this Agreement may be cancelled in full by Buyer without penalty. Notice of cancellation shall
50 be delivered pursuant to Section 25 of the RPA.
- 51 • Upon such written cancellation, Buyer shall promptly receive a refund of the EMD. The parties agree to execute
52 any documents requested by ESCROW HOLDER to facilitate the refund. If written cancellation is not received
53 within the specified time period, the resale package will be deemed approved. Seller shall pay all outstanding CIC
54 fines or penalties at COE.
55

1 **A. CIC RELATED EXPENSES:** (Identify which party shall pay the costs noted below either: SELLER, BUYER,
2 50/50, WAIVED or N/A.)

<u>Type</u>	<u>Paid By</u>	<u>Type</u>	<u>Paid By</u>
CIC Demand		CIC Capital Contribution	
Final Inspection Fee		CIC Transfer Fee/Setup Fee	

Paragraphs 18 & 19

50 18. **CANCELLATION OF AGREEMENT:** In the event this Agreement is properly cancelled in accordance with the
51 terms contained herein, the Buyer is entitled to a whole refund of their EMD, referenced in Section 1(A), by a fully
52 cooperated and executed cancellation of escrow instructions. Neither Buyer nor Seller will be reimbursed for any
53 expenses incurred in conjunction with due diligence, inspections, appraisals or any other matters pertaining to this
54 transaction (unless otherwise provided herein or except as otherwise provided by law).

Buyer's Acknowledgement of Offer

Confirmation of Representation: The Buyer is represented in this transaction by:

Buyer's Broker: _____	Agent's Name: _____
Company Name: _____	Agent's License Number: _____
Broker's License Number: _____	Office Address: _____
Phone: _____	City, State, Zip: _____
Fax: _____	Email: _____

BUYER LICENSEE DISCLOSURE OF INTEREST: Pursuant to NRS 645.252(1)(c), a real estate licensee must disclose if he/she is a principal in a transaction or has an interest in a principal to the transaction. Licensee declares that he/she:

☐ **DOES NOT** have an interest in a principal to the transaction. –OR– ☐ **DOES** have the following interest, direct or indirect, in this transaction: ☐ Principal (Buyer) –OR– ☐ family or firm relationship with Buyer or ownership interest in Buyer (if Buyer is an entity): (specify relationship) _____.

Seller must respond by: _____ (☐ AM ☐ PM) on (month) _____, (day) _____, (year) _____. **Unless this Agreement is accepted, rejected or countered below and delivered to the Buyer's Broker before the above date and time, this offer shall lapse and be of no further force and effect. Upon Acceptance, Buyer agrees to be bound by each provision of this Agreement, and all signed addenda, disclosures, and attachments.**

Paragraph 22

22. BROKER'S COMPENSATION/FEES: Buyer herein requires, and Seller agrees, as a condition of this Agreement per Section 2, that Seller will pay Listing Broker and Buyer's Broker, who becomes by this clause a third-party beneficiary to this Agreement, that certain sum and/or percentage of the Purchase Price (commission), that Seller, or Seller's Broker, offered for the procurement of ready, willing and able Buyer per this Residential Purchase Agreement. Seller understands and agrees that if Seller defaults hereunder, Buyer's Broker, as a third-party beneficiary of this Agreement, has the right to pursue all legal recourse against Seller for any commission due. In addition to any amount due to Buyer's Broker from Seller or Seller's Broker, Buyer ☐ will –OR– ☐ will not pay Buyer's Broker additional compensation in an amount determined between the Buyer and Buyer's Broker.

Paragraph 28

28. OTHER ESSENTIAL TERMS: Time is of the essence emphasizes the punctual performance of each and every essential requirement of the Agreement. It is important for all parties to meet the deadlines and complete their obligations on time. No change, modification or amendment of this Agreement shall be valid or binding unless such change, modification or amendment shall be in writing and signed by each party. This Agreement will be binding upon the heirs, beneficiaries and devisees of the parties hereto. This Agreement is executed and intended to be performed in the State of Nevada, and the laws of that state shall govern its interpretation and effect. The parties agree that the county and state in which the Property is located is the appropriate forum for any action relating to this Agreement. Should any party hereto retain counsel for the purpose of initiating litigation to enforce or prevent the breach of any provision hereof, or for any other judicial remedy, then the prevailing party shall be entitled to be reimbursed by the losing party for all costs and expenses incurred thereby, including, but not limited to, reasonable attorney's fees and costs incurred by such prevailing party.

THIS IS A LEGALLY BINDING CONTRACT. All parties are advised to seek independent legal and tax advice to review the terms of this Agreement.

THIS FORM HAS BEEN APPROVED BY THE GREATER LAS VEGAS ASSOCIATION OF REALTORS® (GLVAR). NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.

Buyer's Acknowledgement of Offer

Confirmation of Representation: The Buyer is represented in this transaction by:

Buyer's Broker: _____	Agent's Name: _____
Company Name: _____	Agent's License Number: _____
Broker's License Number: _____	Office Address: _____
Phone: _____	City, State, Zip: _____
Fax: _____	Email: _____

BUYER LICENSEE DISCLOSURE OF INTEREST: Pursuant to NRS 645.252(1)(c), a real estate licensee must disclose if he/she is a principal in a transaction or has an interest in a principal to the transaction. Licensee declares that he/she:

☐ **DOES NOT** have an interest in a principal to the transaction. **–OR–** ☐ **DOES** have the following interest, direct or indirect, in this transaction: ☐ Principal (Buyer) **–OR–** ☐ family or firm relationship with Buyer or ownership interest in Buyer (if Buyer is an entity): (specify relationship) _____.

Seller must respond by: _____ ☒ AM ☐ PM on (month) _____, (day) _____, (year) _____. **Unless this Agreement is accepted, rejected or countered below and delivered to the Buyer's Broker before the above date and time, this offer shall lapse and be of no further force and effect. Following the date of Acceptance, Buyer agrees to be bound by each provision of this Agreement, and all signed addenda, disclosures, and attachments.**

_____	_____	_____	_____ : _____ ☐ AM ☐ PM
Buyer's Signature	Buyer's Printed Name	Date	Time
_____	_____	_____	_____ : _____ ☐ AM ☐ PM
Buyer's Signature	Buyer's Printed Name	Date	Time

Seller's Response

Confirmation of Representation: The Seller is represented in this transaction by:

Seller's Broker: _____ Agent's Name: _____
 Company Name: _____ Agent's License Number: _____
 Broker's License Number: _____ Office Address: _____
 Phone: _____ City, State, Zip: _____
 Fax: _____ Email: _____

SELLER LICENSEE DISCLOSURE OF INTEREST: Pursuant to NRS 645.252(1)(c), a real estate licensee must disclose if he/she is a principal in a transaction or has an interest in a principal to the transaction. Licensee declares that he/she:

☐ **DOES NOT** have an interest in a principal to the transaction. **–OR–** ☐ **DOES** have the following interest, direct or indirect, in this transaction: ☐ Principal (Seller) **–OR–** ☐ family or firm relationship with Seller or ownership interest in Seller (if Seller is an entity): (specify relationship) _____.

☐ **FIRPTA:** If applicable (as designated in the Seller's Response herein), Seller agrees to complete, sign, and deliver to Buyer's FIRPTA Designee a certificate indicating whether Seller is a foreign person or a nonresident alien pursuant to the Foreign Investment in Real Property Tax Act (FIRPTA). A foreign person is a nonresident alien individual; a foreign corporation not treated as a domestic corporation; or a foreign partnership, trust or estate. A resident alien is not considered a foreign person under FIRPTA. Additional information for determining status may be found at www.irs.gov. Buyer and Seller understand that if Seller is a foreign person, then the Buyer must withhold a tax in an amount to be determined by Buyer's FIRPTA Designee in accordance with FIRPTA, unless an exemption applies. Seller agrees to sign and deliver to the Buyer's FIRPTA Designee the necessary documents, to be provided by the Buyer's FIRPTA Designee, to determine if withholding is required. (See 26 USC Section 1445).

SELLER DECLARES that he/she ☐ is not **–OR–** ☐ is a foreign person therefore subjecting this transaction to FIRPTA withholding. **SELLER(S) INITIALS:** _____ / _____ / _____ / _____

☐ **ACCEPTANCE:** Seller(s) acknowledges that he/she accepts and agrees to be bound by each provision of this Agreement, and all signed addenda, disclosures, and attachments.

☐ **COUNTER OFFER:** Seller accepts the terms of this Agreement subject to the attached Counter Offer #1.

☐ **REJECTION:** In accordance with NAC 645.632, Seller hereby informs Buyer the offer presented herein is **not** accepted.

 Seller's Signature Seller's Printed Name Date Time ☐ AM ☐ PM

 Seller's Signature Seller's Printed Name Date Time ☐ AM ☐ PM

IV. CONTRACT LAW

NRS 645.005 “Brokerage agreement” defined. “Brokerage agreement” means an oral or written contract between a client and a broker in which the broker agrees to accept valuable consideration from the client or another person for assisting, soliciting or negotiating the sale, purchase, option, rental or lease of real property, or the sale, exchange, option or purchase of a business.

NRS 645.254 Additional duties of licensee entering into brokerage agreement to represent client in real estate transaction. A licensee who has entered into a brokerage agreement to represent a client in a real estate transaction:

1. Shall exercise reasonable skill and care to carry out the terms of the brokerage agreement and to carry out his or her duties pursuant to the terms of the brokerage agreement;
2. Shall not disclose confidential information relating to a client for 1 year after the revocation or termination of the brokerage agreement, unless he or she is required to do so pursuant to an order of a court of competent jurisdiction or is given written permission to do so by the client;
3. Shall 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. Shall present all offers made to or by the client as soon as is practicable, unless the client chooses to waive the duty of the licensee to present all offers and signs a waiver of the duty on a form prescribed by the Division;
5. Shall disclose to the client material facts of which the licensee has knowledge concerning the transaction;
6. Shall advise the client to obtain advice from an expert relating to matters which are beyond the expertise of the licensee; and
7. Shall account for all money and property the licensee receives in which the client may have an interest as soon as is practicable.

NRS 645.300 Delivery of copy of written brokerage agreement; receipt. When a licensee prepares or has prepared a written brokerage agreement authorizing or employing the licensee to purchase or sell real estate for compensation or commission, the licensee shall deliver a copy of the written brokerage agreement to the client signing it at the time the signature is obtained, if possible, or otherwise within a reasonable time thereafter. Receipt for the copy may be made on the face of the written brokerage agreement.

NRS 645.320 Requirements for exclusive agency representation. Every brokerage agreement which includes a provision for an exclusive agency representation must:

1. Be in writing.
2. Have set forth in its terms a definite, specified and complete termination.
3. Contain no provision which requires the client who signs the brokerage agreement to notify the real estate broker of the client’s intention to cancel the exclusive features of the brokerage agreement after the termination of the brokerage agreement.
4. Be signed by both the client or his or her authorized representative and the broker or his or her authorized representative in order to be enforceable.

NRS 645.6056 Property management agreements: Requirements; contents.

1. A real estate broker who holds a permit to engage in property management shall not act as a property manager unless the broker has first obtained a property management agreement signed by the broker and the client for whom the broker will manage the property.

2. A property management agreement must include, without limitation:

(a) The term of the agreement and, if the agreement is subject to renewal, provisions clearly setting forth the circumstances under which the agreement may be renewed and the term of each such renewal;

(b)) A provision for the retention and disposition of deposits of the tenants of the property during the term of the agreement and, if the agreement is subject to renewal, during the term of each such renewal;

(c) The fee or compensation to be paid to the broker;

(d) The extent to which the broker may act as the agent of the client;

(e) If the agreement is subject to cancellation, provisions clearly setting forth the circumstances under which the agreement may be cancelled. The agreement may authorize the broker or the client, or both, to cancel the agreement with cause or without cause, or both, under the circumstances set forth in the agreement; and

(f) If the broker intends to provide asset management services for the client, a provision indicating the extent to which the broker will provide those services. As used in this paragraph, “client” has the meaning ascribed to it in [NRS 645H.060](#).

NRS 645.633 Additional grounds for disciplinary action: (f) Failure to include a fixed date of expiration in any written brokerage agreement or failure to leave a copy of such a brokerage agreement or any property management agreement with the client.

NRS 645.635 Additional grounds for disciplinary action:

3. Failure to deliver within a reasonable time a completed copy of any purchase agreement or offer to buy or sell real estate to the purchaser or to the seller, except as otherwise provided in subsection 4 of [NRS 645.254](#).

NAC 645.650 Periods for maintenance of certain records by broker and for provision of certain paperwork to broker. ([NRS 645.050](#), [645.190](#))

1. A broker shall keep complete real estate transaction and property management records for at least 5 years after the date of the closing or the last activity involving the property, including, without limitation, offers that were not accepted and transactions that were not completed, unless otherwise directed by the Division.

2. A salesperson or broker-salesperson must provide any paperwork to the broker with whom he or she is associated within 5 calendar days after that paperwork is executed by all the parties.