



PROPERTY MANAGEMENT FORMS CHANGES EFFECTIVE JULY 1, 2020

The forms listed below have been revised or added to the NCR Forms library effective July 1, 2020. A summary of the significant changes to each form follows the list. A marked-up copy of each form showing the exact changes that have been made may be viewed by clicking on the name of the form.

- (1) Exclusive Property Management Agreement (Long-term Rental Property) (form 401)
- (2) Residential Rental Contract (form 410-T)
- (3) Pet Addendum (Form 442-T)
- (4) Assistance Animal Addendum (Form 443-T)
- (5) Exclusive Right To Advertise/Lease Agreement (form 405-T)
- (6) Exclusive Property Management Agreement (Vacation Rental Property) (form 402)
- (7) Guaranty Addendum (Form 445-T) (NEW)
- (8) Agreement to Amend Exclusive Property Management Agreement (Form 403) (NEW)

(1) [Exclusive Property Management Agreement \(Long-term Rental Property\) \(form 401\)](#)

- Paragraph 3(b)—Replace “leases” with “occupies” to clarify that owner’s obligation to pay agent’s fee if property sold to tenant applies to any tenant who occupies the premises during the term of the management agreement, whether the tenant’s lease began before or after the commencement of the management agreement.
- Paragraph 6(a)—Change agent’s duty to manage the property from “to the best of Agent’s ability, devoting thereto such time and attention as may be necessary,” to “use reasonable skill, care, and diligence” to manage the property. The new wording, although open to interpretation as to what would be considered “reasonable,” is less subjective and open-ended than the existing wording.
- Paragraph 6(f)—at the request of the Real Estate Commission, the addition of the word “written” clarifies that except in the case of emergency repairs, repairs exceeding the dollar amount inserted in the blank require advance *written* approval by the owner.
- Paragraph 10(d)—Technical changes made with input from insurance professional to conform wording to verbiage used in insurance industry, and new sentence added to highlight the fact that the owner should consult with an insurance professional to determine how much public liability insurance to carry on the property
- Paragraph 23—addition of new sentence to allow the agent to negotiate a fee to be paid by the owner for additional services rendered by agent in connection with the sale of the property (for example, coordination with tenant of buyer’s inspections).
- Paragraph 33—new paragraph establishes owner’s duty to remove, disable or surrender access to video/audio/surveillance devices while premises occupied by a tenant, and advises owner that using a device to record/listen to an oral communication without the consent of a party to the communication may be a crime.

- Anti-discrimination paragraph (above signature lines)—the phrase “to this Agreement” in first sentence has been stricken to comply with wording in Real Estate Commission Rule 58A.0104(b), and same phrase stricken from second sentence to parallel its removal from first sentence.

(2) [Residential Rental Contract \(form 410-T\)](#)

- "PREMISES" (top of page 1) –new sentence added to clarify that the term “Premises” includes both the inside and the outside of the dwelling unit under the tenant’s exclusive control.
- Paragraph 1(c)—old subparagraph has been broken down into separate subparts to clarify that the first sentence applies to the termination of calendar month-to-month leases and the second sentence applies to the termination of leases *other* than calendar month-to-month leases
- Paragraph 4—new wording clarifies that the security deposit must be paid prior to tenant’s occupancy
- Paragraph 5(i)—new wording clarifies that tenant’s obligation not to damage the Premises applies to both the inside and outside the dwelling unit
- Paragraph 5(j)— wording appearing in old paragraph 11 has been moved to new subparagraph 5(j) to clarify that in addition to tenant’s obligation not to damage the inside or outside of the Premises under paragraph 5(i), tenant is obligated not to damage any property located inside the dwelling unit, such as any appliance or fixture. It is believed that placing the tenant’s obligations under paragraphs 5(i) and 5(j) in close proximity to each other will help clarify the tenant’s obligations not to damage the inside or outside of the Premises or any property located inside the premises.
- Paragraph 11—first sentence moved to new subparagraph 5(j). New wording gives examples of “outside” damages, the costs of which the tenant is responsible for paying
- Paragraph 12—new sentence makes it clear that tenant’s payment of fine for unpermitted pet does not give tenant the right thereafter to keep the pet
- Paragraph 14-- new sentence makes it clear that tenant’s payment of fine for unpermitted occupant does not give that occupant the right thereafter to occupy the premises
- Paragraph 17(a)(ii)—new wording clarifies that if landlord notifies tenant of a breach of the lease (other than nonpayment of rent), landlord is not required to notify tenant again if the same breach occurs again. Thus, repeated, but sporadic, breaches of the same character (late night disturbances, smoking, unpermitted pet, etc.) by the tenant does not require repeated 5-day notices from the landlord; once is enough.
- Paragraph 28—check boxes added for 3 additional standard addenda to Rental Contract form

(3) [Pet Addendum \(Form 442-T\)](#)

- Paragraph 1—new directions added to clarify that specific pet should be described, and new sentence added to clarify that Addendum only applies to specified pet unless tenant is permitted to replace pet under paragraph 3
- Paragraph 3—new wording clarifies that tenant doesn’t have to pay a new Pet Fee if allowed to replace existing pet, and that the tenant’s right to keep new pet is subject to the same terms
- Paragraph 4—new paragraph requires tenant to comply with any relevant licensing and inoculation requirements relating to the pet, and to have the pet neutered or spayed, if applicable
- Paragraph 5—new paragraph sets forth certain tenant duties to take care of, clean up after, and control pet
- Paragraph 6—new wording specifically obligates tenant to take reasonable measures to prevent pet from causing property damage or injury to others

(4) Assistance Animal Addendum (Form 443-T)

- For the most part, the changes to the Pet Addendum described above have also been made to the Assistance Animal Addendum.

(5) Exclusive Right To Advertise/Lease Agreement (form 405-T)

- Paragraph 13--the phrase "to this Agreement" in first sentence has been stricken to comply with wording in Real Estate Commission Rule 58A.0104(b), and same phrase stricken from second sentence to parallel its removal from first sentence.

(6) Exclusive Property Management Agreement (Vacation Rental Property) (form 402)

- Anti-discrimination paragraph (near top of page 1)—the phrase "to this Agreement" in first sentence has been stricken to comply with wording in Real Estate Commission Rule 58A.0104(b), and same phrase stricken from second sentence to parallel its removal from first sentence.

(7) Guaranty Addendum (Form 445-T) (NEW)

- This new addendum to Residential Rental Contract can be used when landlord's decision to rent to a tenant is a conditioned on a third party guaranteeing the tenant's obligation to make any payments under the lease. It is a guaranty of performance rather than a guaranty of collection, which means that the landlord does not have to first exhaust the landlord's legal remedies against the tenant before seeking to recover any payments owed by the tenant from the guarantor

(8) Agreement to Amend Exclusive Property Management Agreement (Form 403) (NEW)

- This new form may be used to memorialize simple amendments to the Exclusive Property Management Agreement (either Form 401 or 402)

The new and revised forms have been provided to NCR's approved forms software vendor for a July 1 roll-out. They will be provided to members who have forms licensing agreements with NCR in late June, and will be updated on the NCAR web site in late June. Permitted users of the forms will have 60 days following their effective date to transition to the new versions. Therefore, old versions should not be used in transactions taking place after the end of August 2020.