

Proposed amendment to NAC 116A.325.2 to prohibit month to month extensions exceeding 3 months. (See my red character additions below.)

NAC 116A.325.2 A management agreement may:

- (a) Provide for mandatory binding arbitration;**
- (b) Provide for indemnification of the community manager in accordance with and subject to the appropriate provisions of title 7 of NRS; and**
- (c) Allow the provisions of the management agreement to apply month to month following the end of the term of the management agreement but the management agreement may not contain an automatic renewal of the management agreement *and it shall not be extended month to month for more than 3 months.***

Proposed by CICCH Commissioner Robert E. Frank on June 16, 2015.

Rationale: Current case pending before the CICCH demonstrates there is a loophole that allows unlimited, automatic month to month extensions of management contracts to the serious disadvantage of the unit owners. Since both boards and management companies know for 1 or more years in advance when the management contract expires, it is a serious management error for the CICCH to allow unlimited extensions. This loophole needs to be fixed as soon as possible.