



Please turn your phone
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ON when
class is
over.



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**Preventing Litigation in
Property Management**

Instructor
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Four Sections to this Workshop

1. Contract Language That Helps Prevent Litigation
2. Office Procedures That Help Prevent Litigation
3. Options for Working Your Way Out of an Issue
4. Specific Situations That Tend to Trigger Litigation and How to Protect Yourself From Them

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I'm Not an Attorney

See your attorney
and state license laws
before you make any changes
in your documents.



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No 1. Contract Language That Helps Prevent Litigation

Owner hereby releases and discharges
Agent from any liability for any loss or
damage, from any cause whatsoever, to
Owner's real or personal property,
except for loss or damage caused by
Agent's sole gross negligence,
recklessness or willful misconduct of
Agent's employees.



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Contract Language That Helps Prevent Litigation

Agent shall under no circumstances have
any liability greater than the amount of
commissions paid to Agent by Owner, in
the last twelve months, as listed in
stipulation #4 in this agreement.



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Contract Language That Helps Prevent Litigation

Resident agrees to hold Management harmless if a foreclosure happens on the Property and Resident is required to move out.



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Contract Language That Helps Prevent Litigation

Management shall not be liable for damages to Resident's property of any type for any reason or cause whatsoever, except where such is due to Management's sole gross negligence.



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Contract Language That Helps Prevent Litigation

Resident agrees to hold Agent harmless if The HOA in the community harasses them, attempts to evict them, boots their tire, shuts off services to the property and agrees not to claim constructive eviction or wrongful dispossession against Agent in an attempt to get out of the lease.



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No 2. Office Procedures That Help Prevent Litigation

- Incident Report*
- Autopsies*
- Broker Issues*
- Steps to a Lawsuit*



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Steps to a Lawsuit



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Rules for Handling Growing Conflict

- Cut out all Responders but ???
- Put all Conversations in Writing
- Start a Timeline *
- Build Notes to the File *



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No 3. Options for Working Your Way Out of an Issue

- Over Customer Service Your Way Out
- Negotiate Fees to Prevent Litigation
- Hook Them Up with Your Attorney
- Write a Check
- Agree to Binding Arbitration



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No 4. Specific Situations That Tend to Trigger Litigation and how to Protect Yourself From Them

- Personal Property
- Mold Claims
- HOA Actions
- Foreclosures
- Home Warranties



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No 4. Specific Situations That Tend to Trigger Litigation and how to Protect Yourself From Them

- Lead Paint
- Giving Owner a Key
- Letting Owner Approve/Deny Application
- Owner Won't Do Necessary Work
- Discrimination Claim



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Other Tips to Avoid Litigation

- Stay away from high liability properties: Owners and Tenant
- Don't run high liability businesses in your management company name.
- Don't use uninsured vendors.
- Train staff on changes in the law.



Other Tips to Avoid Litigation

- Have a Comment Button on Your Site
- Don't Delegate Growing Issues
- Get Covered From Both Parties
- Learn to Use a Mutual Release*



Conclusion

- It's about good documents and learning to identify potential litigation.
- It's about customer servicing your way out of screw ups.
- The money, attention and time you put into prevention is infinitesimal to what you'll spend in defending a lawsuit.



Student Evaluations

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