

Management Services Provided by Glacier City Realty, Inc.
--

Glacier City Realty, Inc. (GCRI)'s responsibilities to you as an owner:

- **Showing** - GCRI handles all aspects of leasing the property to qualified tenants including screening the tenant, showing the property, and negotiating the lease.
- **Property Condition** - GCRI will assure that the property is clean and in good condition at the start of the lease (at owner's expense), and again at the end (at tenant's expense), reasonable wear and tear excepted. *Normally the cost of a professional carpet cleaning (if cleaned prior to move in) is deducted from the tenants deposit at lease end. Though done by agreement a tenant could challenge this deduction since it is a maintenance item and the owner could potentially end up paying for this service.
- **Repairs** - GCRI will make sure that needed repairs are completed by licensed, bonded and insured contractors. When a repair costs less than \$500, GCRI will fix the problem and pay the invoice from rental income. When repairs are over \$500, GCRI will contact the owner before proceeding (unless the property is in imminent danger of further damage). We will make a reasonable effort via phone and e-mail to contact owners prior to approving repairs for smaller repairs when it is practical to do so on a case by case basis at our discretion.
- **Mortgages and other Expenses** - From your rental income GCRI pays the operating expenses you request. (In most cases mortgages, taxes and insurance remain the responsibility of the owner.) We recommend direct deposit by mail of owners' disbursements with a full report going to the owner each month. Owners must provide deposit information.
- **Collecting Rent** - GCRI collects rent in a timely manner from tenants. In the rare event that eviction or legal proceedings become necessary, GCRI will facilitate giving notice and/or hiring an attorney. Legal fees will be at the expense of the property owner but GCRI will work very closely with the property owner if this occurs. GCRI's thorough screening process ensures that eviction will most likely be unnecessary.
- **Payments to Owner and Record Keeping** - GCRI disburses rental income to owners after paying any amounts due for expenses such as management fees and repairs. GCRI makes payment to owners one month in arrears between the 1st and 5th of each month (August's rent is paid in September). This includes a monthly statement outlining all income and expenses. We use a professional property management program called The EDGE. All property owners who receive more than \$600 annually will receive an IRS form 1099-misc. in January for the preceding calendar year with a full year summary of expenses and income.

- **Broken Leases** - If a tenant breaks a lease, GCRI makes every effort to re-lease the property. GCRI's thorough screening of tenants and strongly worded lease agreement ensure that broken leases will most likely not occur.

Compensation for Services

- For Management of the Property GCRI receives 15% of the monthly rent. Monthly management fees are deducted from each month's rent which are paid to the property owner between the 1st and 5th of each month.

Owner's Responsibility

- **Property Expenses** – Owner(s) agree to make timely payment of mortgages, taxes, and those utilities which are not the responsibility of the tenant during the duration of the agreement with GCRI. We are glad to make direct deposit by mail of owners proceeds if provided with deposit information.
- **Sale of Property** - Owner promises to notify GCRI at least 30 days in advance of their intent to sell the property and to honor any pre-existing lease, through the sales contract, if the property does sell.
- **Documentation** - Owner agrees to provide GCRI with proof of homeowner's insurance and to name GCRI as additionally insured on homeowner's insurance. (This usually can be done at no additional expense to the owner.)
- **GCRI's Liability and Indemnity** - Owners agree not to hold GCRI liable for losses sustained by the tenant or their guests except in cases of direct negligence or willful misconduct. The owner further agrees to indemnify GCRI for any losses or liability in connection with GCRI's management of the property except in cases of willful misconduct or direct negligence.
- **Term of the Agreement** - The contract between owners and GCRI lasts for a period of two years, with renewal an option at the end of the agreement. Either party may terminate the agreement with 30 days written notice.