



## Long Term Rental Management Services

### Glacier City Realty, Inc. (GCR)'s Responsibilities to an Owner:

- **Showing** – GCR handles all aspects of leasing the property to qualified tenants including screening the tenant, showing the property, and negotiating the lease.
- **Property Condition** – GCR assures 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 tenant's 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** – GCR makes sure that needed repairs are completed by licensed, bonded and insured contractors. When a repair costs less than \$500, GCR fixes the problem and pays the invoice from the rental income. When repairs are over \$500, GCR contacts the owner before proceeding (unless the property is in imminent danger of further damage). We make a reasonable effort via phone and email to contact owners prior to approving smaller repairs when it is practical to do so. This is done on a case by case basis at our discretion.
- **Mortgages and Other Expenses** – From the rental income, GCR pays the operating expenses that owners 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** – GCR collects rent in a timely manner from tenants. In the rare event that eviction or legal proceedings become necessary, GCR facilitates giving notice and/or hiring an attorney. Legal fees are at the expense of the property owner but GCR works very closely with the property owner if this occurs. GCR's thorough screening process ensures that eviction is most likely unnecessary.
- **Payments to Owner and Record Keeping** – GCR disburses rental income to owners after paying any amounts due for expenses such as repairs and management fees. GCR makes payment to owners one month in arrears between the 1<sup>st</sup> and 5<sup>th</sup> of each month (August rent is paid in September). This includes a monthly statement outlining all income and expenses with copies of expense receipts. We use a professional property management program. All property owners who receive more than \$600 annually, receive an IRS 1099-Misc form in January for the preceding calendar year with a full year summary of expenses and income.
- **Broken Leases** – If a tenant breaks a lease, GCR makes every effort to re-lease the property. GCR's thorough tenant screening and strongly worded lease agreement ensure that broken leases most likely do not occur.



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### Compensation for Services:

- **Management Fees** – GCR receives 15% - 20% of the monthly rent dependent on full time or six month seasonal management. Monthly management fees are deducted from monthly rent which is paid to the property owner between the 1<sup>st</sup> and 5<sup>th</sup> of each month.

### Owner's Responsibilities:

- **Property Expenses** – Owners agree to make timely payment of mortgages, taxes, and those utilities which are not the responsibility of the tenant during the duration of the management agreement with GCR. We are glad to make direct deposit by mail of owner's proceeds if provided with deposit information.
- **Sale of Property** - Owners agree to notify GCR at least 30 days in advance of their intent to sell the property and to honor any pre-existing lease, as part of the sales contract, if and when the property does sell.
- **Documentation** - Owners agree to provide GCR with proof of homeowner's insurance and to name GCR as additionally insured on their homeowner's insurance. Usually this can be done at no additional expense to the owner.
- **GCR's Liability and Indemnity** – Owners agree not to hold GCR 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 GCR for any losses or liability in connection with GCR's management of the property except in cases of willful misconduct or direct negligence.
- **Agreement Term** – The contract between owners and GCR 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.