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Traditional, Month to Month Leasing

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Overview

Traditional, month to month leasing is a fantastic way to utilize your real estate assets and is the most common form of management that Blue Pine is hired for. In this model, BP oversees the entire rental process from marketing your property, screening and placing tenants, taking in



rents, conducting property inspections, coordinating maintenance, tenant move outs and replacements or lease renewals. Below we try to answer and clarify the recurring questions that come up about our policies and procedures.

Step One: Property Management Agreement (PMA)

Rental management involves a wide variety of responsibilities and it is nearly impossible to outline everything that a Property Manager becomes responsible for during the rental process. The first step towards having a successful rental is a property evaluation and signing management agreement with

BPPM that allows BPPM the authority to properly manage your asset. Our management agreement is designed to give us the freedom we need to seamlessly act as your agent during

the rental process and is designed for owners who do not want to handle any part of the rental process themselves.

Step Two: Property Evaluation

Without a thorough understanding of the property from the beginning, BPPM will not be able to properly manage your asset. The evaluation will cover everything from expense and utility management, to pricing your property and designing a rental plan catered specifically to you and your property.

*A \$300 management agreement fee is charged upon signing a PMA with Blue Pine which covers step one and two.

Marketing and Leasing

Marketing and leasing your property is the second step towards a successful rental. We make sure that your property is seen by as many prospective tenants as possible and then we undergo a thorough screening process with prospective tenants. Not only do we meet prospective tenants in person to personally get to know them, they go through a screening that checks their credit, criminal and eviction history to ensure we are placing high quality tenants in your property. A one time “place fee” of \$300 is charged for this portion of the work and is backed by our “90 day guarantee”, if we place a tenant and they break their lease prior to 90 days we will place the next tenant for free.

Tenant and Rental Management

Once a qualified tenant has been placed in your property our fee structure changes to a percent based model. Depending on how many properties we will be managing for you, the percent may change but is generally around 10% of rents taken in. We shift our fee structure to this model to cover the recurring task of rental management like rent collection, tenant communication, property inspections, expense management and so on. Below you will find a “Scope of Work” Section that will outline exactly what this fee covers and what are considered additional fees.

Scope of work covered by PM Fee

- Expense management agreed upon during property evaluation

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- Tenant management, including:
 - Rent collection
 - Communication
 - Inspections
 - Admin work
 - Tenant accountability
- Maintenance coordination up to \$500
- Property bookkeeping and owner reporting

Maintenance

It is inevitable that your property, regardless of its age, will need maintenance over the course of its life and this is especially true with properties that have regularly changing inhabitants. It is important for us to make sure that your property is being maintained and that habitability is ensured for occupants (the law requires this and frankly, we just care about our tenants). We have developed strong vendor relationships and offer in house maintenance to make sure that your property is receiving the proper level of care when problems arise.

The PM fee covers coordination of maintenance up to \$500 because coordinating issues that exceed \$500 often require much more attention and nuance. For issues over \$500 we charge on a case by case basis, but usually we simply charge you for time and materials. Our hourly rate is currently billed at \$35 per hour. If we undertake a large project or improvement on your property, a bid may be drawn up to cover the work instead of us charging hourly to ensure we are covering our costs.

We offer in-house maintenance to our clients to ensure that we can handle maintenance issues in a timely manner. Again billed at \$35 an hour, our technicians can often handle issues more efficiently than outside vendors and we have worked hard to keep our hourly rates lower than the market as a benefit to our owners. To clarify, maintenance coordination is covered under the PM fee, execution of maintenance by our technicians is billed at \$35 to the property and withheld from rental income. An example of this could be sending our technician to your property to fix a leaky p-trap or a running toilet instead of hiring a plumber to do so; the plumber will bill out around \$80-\$100 per hour while we bill out at \$35.

Lawn Care and Snow Removal

Every property is different and will have different requirements for exterior care. During the property evaluation we will create a plan for exterior or common area care. The tenant will be made responsible for lawn care and snow removal if the rental unit is a single family home. Multiplex properties are typically maintained by an outside vendor hired by BP and paid for by the owner out of rental income. The owner is always responsible for recurring, yearly tasks like having sprinklers blown out or having gutters cleaned. Although the tenant is responsible for the rental unit, as the owner you continue to have financial responsibility over certain parts of your property.

Utilities

Upon the property evaluation we will determine who will be responsible for what utilities. If possible gas and electric will always be paid by the tenants to ensure that you as the owner are not responsible for their personal habits. Multi-family may require a unique utility structure if the rental units are not metered individually. We encourage our owners to pay water and sewer (city utilities), especially if the rental unit has landscaping, so that we can hold tenants accountable to watering the landscaping. If your property is outside of city limits and is on a well or septic or has a propane tank we will create a utility plan during the property evaluation to ensure that all parties know exactly who is responsible for each separate unit. Upkeep of wells and septic are the owners responsibility, much like a hot water heater or furnace are maintained by the owner.

Inspections

Keeping eyes on your property is an important part of the rental process to ensure that tenants are properly caring for the rental unit. We utilize an inspection software costing you \$3 per unit per month, that allows us to do both in person and tenant led inspections throughout the length of the lease. This software also helps with things like changing furnace filters or turning on heat tape during the winter. We will do one in person inspection, typically around the 6 month mark, during the lease and initiate two tenant led inspections via the inspection software.

Maintenance issues handled by our technicians afford us another opportunity to inspect the property.

*Specially requested inspections by the owner will be charged a \$35 fee. Trips that take more than one hour will be charged hourly. An example may be a trip to meet an appraiser or retrieve a personal item for the owner.

Lease Renewals

Vacancy can be the most expensive part of the rental process. If your property is vacant, you are not receiving rental income. We work hard to find and place long term tenants and in most situations we sign one year leases and then renew the lease at current market rates once the lease has expired. We charge a \$50 renewal fee to cover the paperwork, communication and inspection that go into a lease renewal. If a tenant chooses to end their lease or we choose not to renew, we go back into the "tenant placement" phase.

Owner's Reports

As the owner of the rental property, you want to be able to see what is going on with your property at all times. We utilize a rental software that gives you access to an owners portal where you can watch your property in real time. Everything from leasing to rent collection and expense management are tracked here and you have access 24/7. There is a robust reporting page where you can access and download reports for your property like profit and loss, rent roles, work orders, etc. Although we do send out reports, your portal is really the HUB of information for your property.

Schedule of Fees

You are not only hiring us to collect rent and deal with tenants, you are hiring us to care for your property and properties require attention, often without a moment's notice. We cannot cover all the work that a rental property requires under our PM fee alone and it is almost impossible to cover every little dot and tiddle that may come up in our property evaluation. An example of this might be Admin work like providing year end reports not found on your owners portal or running an errand for you or retrieving something from the property. There are countless things that crop up that we are more than happy to do as your agent but need to be paid for the time we put into these requests.

We have created a list of fees to help you understand how we charge when extra things come up.

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| Management Agreement fee | \$300 |
| Placement Fee | \$300 |
| Lease Renewal Fee | \$50 |
| Hourly In house Maintenance | \$35 per hour |
| Admin Fees (owner requested admin work not covered under PM fee) | \$35 per hour or \$25 per form |
| Special Requested Inspection or property visit (this could be for an appraisal, utility issue, etc.) | \$35 or hourly |
| Inspection Software | \$3 per month, per unit |
| Condition Reports for Inherited Tenants w/out existing condition report | \$35 per report |
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Rent Ready

It is the owners responsibility to deliver a rent ready unit to BPPM meaning the unit needs to be in habitable condition with everything working properly, thoroughly cleaned, carpets professionally cleaned and all repairs made. If the owner is coming into a property that needs much work and would like BP to oversee the work to get the unit into the "Rent Ready" condition, the owner will be responsible to pay for th BPPM's services at either an hourly rate of \$35 per hour or a flat rate based on a bid put together by BP. Once the unit is in a rent ready condition, BP is in a position where we can use tenant security deposits to return the rental unit to the "rent ready condition".

Condition Reports

If we inherit a tenant from you as the owner or from a previous property manager and you do not have a condition report for the rental unit, we will have to fill out a condition report in order for us

to legally hold a security deposit. A condition report clearly documents the condition of the unit so that there is a reference point for the state of the unit upon move out of the tenant. If we conduct a condition report with an inherited tenant, the report will be based on the current state of the unit, not the state of the unit when you or the previous manager moved the tenant in. BP cannot take responsibility for any damage not clearly stated on a date signed condition report and will not unlawfully hold security deposits based on an owner's word. Paper work, like a condition report, is required by Landlord Tenant Law.

Pets and Assistance Animals

Not all, but many renters have pets of one kind or another. Owners have a say whether or not pets are allowed at property but BP's pet policies apply once an owner has agreed to allow pets at the property. We will do our best to cater pet policies to individual owners preferences but ultimately, once an owner has allowed pets at their property, BP's policies will apply. This means that you may say, "no cats" or "no dogs", but we will choose pricing (pet rents or additional security deposits) and the standards we hold tenants too. Picking and choosing sizes and breeds that are allowed at your property can become very complicated for us and are variables that will only be allowed in certain situations.

Pet fee structure charged to tenant:

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| Small Dogs and Cats (up to 25lbs) | \$25 per month per animal and additional deposit of \$250 per animal |
| Medium Sized Dogs (35lbs-45lbs) | \$35 per month per animal and additional deposit of \$300 per animal |
| Large Dogs (45lbs and over) | \$45 per month per animal and additional deposit of \$350 per animal |

Assistance Animals and Emotional Support Animals:

According to Landlord Tenant Law *assistance animals* (support,, ESA, companion) are a "protected class" which means they are not considered pets and cannot be treated by landlords or property managers as so. This means that we cannot deny tenants a chance to lease a property because they have an assistance animal and we cannot charge an additional pet rent or security deposit to tenants with these animals. This is something that is often concerning to owners and can be difficult for us as property managers to navigate as your agents but ultimately we have to follow the law.

This is another area where we have leveraged technology and do our due diligence to make sure that a prospective tenant is being truthful about their animal. We utilize a pet screening

software, to validate a pets medical and rental history and determine whether an animal is truly an assistance animal. This is an added layer of protection for your property and we consider it a valuable product that sets us apart from other property managers in our market.

*For more information about assistance animals please review the articles found [here](#).

Conclusion

There are so many areas that need to be covered and discussed to properly manage a rental property, our hope is to make rental property ownership as easy as possible for our owners. From tenant issues to maintenance we strive for excellence and customer satisfaction. Please do not hesitate to reach out to us with any questions or concerns. We value clarity and transparency for our clients and will do whatever we can to help you along the path towards owning a successful rental property.