

SELECTING A PROPERTY MANAGEMENT COMPANY

Buyer may be purchasing the Property for use as a short or long-term rental. In conjunction with such a purchase, Buyer may consider obtaining the professional services of a property management company. There are a number of legal, business, and practical issues provided below, that Buyer should consider prior to engaging the services of any property management company. This is not intended to be a comprehensive list.

Buyer is advised to consider each of the following issues:

Accounting

- Advance Deposits
[Under Utah Law, Property Management Companies are not required to deposit and maintain prepaid rental revenues in a separate escrow or trust account if the guest rental is for a period of less than thirty days].
 - Company Policies
 - Separate Bank Account
 - Trust Account
- Owner Statements
 - Monthly
 - Quarterly
 - Year End
- Owner Revenue Checks
 - Monthly
 - Quarterly
 - Other
- Fees Paid on Behalf of Owner from Owner Revenue
 - HOA Dues
 - Utility Bills
 - Other
- Review of Historical Owner Statements by Buyer's tax and financial advisor(s)
 - Year End Statement
 - Revenues
 - Expenses
- Accounting System
 - Bookkeeper / Accountant
 - In House
 - Subcontracted
 - IRS and State Tax Commission reporting obligations
 - Software

Contract

- Copy of Management Contract
- Review of Management Contract by Buyer, Buyer's legal counsel, Buyer's tax advisor
- Review of proposed fee structure by Buyer's tax advisor
 - Gross vs. Net Revenues
 - Travel Agent Fees
 - Credit Card Fees
- Business Licenses
 - Required to be held by Company
 - Required to be held by owner
- Policy for Owner Use
- Policy for Guest of Owner Use
- Policy for Owner Bookings
- Policy for Complimentary Use of Property by the Company
- Reservation Cancellations
 - Policy for return of prepaid deposits to guest (refundable)

- Policy for payment to owner (non-refundable)
- Cancellation of Management Contract
 - By Company
 - Obligations of Company to honor existing reservation bookings
 - By Owner
 - Obligations of Owner to honor existing reservation bookings

Office Location(s)

- Main Office Location
- Additional Office Locations
- Hours & Days of Operation
 - Winter Season
 - Other Seasons
- Reservations
 - Hours & Days of Operation
 - Website/Online Reservations
 - In House
 - Subcontracted
- Location for Guest Check-In
 - Regular Business Hours
 - After Hours

Housekeeping

- Hours & Days of Operation
 - Regular Business Hours
 - After Hours
- Staff / Employees
 - In House
 - Subcontracted
- Guest Stay Services - Included Cost
- Guest Stay Services - Additional Cost
- Owner Stay Services - Included Cost
- Owner Stay Services - Additional Cost
- Responsibility for Linens and Towels
- Responsibility for In Room Supplies (ex: soap, shampoo, coffee, etc.)

Maintenance

- Hours & Days of Operation
 - Regular Business Hours
 - After Hours
- Staff / Employees
 - In House
 - Subcontracted
- Services - Included Cost
- Services - Additional Cost
- Services - Emergency
- Owner Working Capital Fund for Maintenance/Repairs
- Property Inspections
 - When vacant
 - When occupied

Marketing

- Marketing Plan for Property
 - Website / Online Marketing
 - Print Media
 - Brochure
 - Travel Shows

- Travel Wholesalers
- Travel Agents
- Other Marketing / Advertising

Experience and Areas of Focus

- Years in Business
- Locally Owned and Operated Company
- Regional Company
- National / International Company
- Areas of Expertise
 - Type of Property
 - Geographic Area
 - Specific Real Estate Developments
 - References

HOA Management

- HOA Management Services Offered
- HOA's Currently Managed

This form is COPYRIGHTED by THE PARK CITY BOARD OF REALTORS® for use solely by its members. Any unauthorized use, modification, copying or distribution without written consent is prohibited.
NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION OF THIS FORM IN ANY SPECIFIC TRANSACTION. IF YOU DESIRE SPECIFIC LEGAL OR TAX ADVICE, YOU ARE ADVISED TO CONSULT AN ATTORNEY OR TAX ADVISOR.