

RENTAL MANAGEMENT AGREEMENT

“HAWAII GENERAL EXCISE TAXES MUST BE PAID ON THE GROSS RENTS COLLECTED BY ANY PERSON RENTING REAL PROPERTY IN THE STATE OF HAWAII. A COPY OF THE FIRST PAGE OF THIS AGREEMENT, OR OF FEDERAL INTERNAL REVENUE FORM 1099 STATING THE AMOUNT OF RENTS COLLECTED, SHALL BE FILED WITH THE HAWAII DEPARTMENT OF TAXATION.”

HRS 237-30.5

OWNER(S):

	Social Security Number
	Social Security Number
	Social Security Number
	Social Security Number
Current Address of Owner(s):	
	GE ID Number or FEIN
Bus. Phone Res. Phone	Owners Insurance Company
EMAIL Address	Insurance Agent Phone

AGENT:

HORITA REALTY LLC
98-150 Kaonohi Street, #B128
Aiea, HI 96701

THIS AGREEMENT is hereby made by and between OWNER(S) and HORITA REALTY LLC, a Hawaii corporation (hereinafter called “AGENT”), wherein the parties agree as follows:

1. AGENCY. The OWNER hereby employs the AGENT exclusively to rent and manage the property (hereinafter called the “Premises”), located at _____ described as follows: _____ upon the terms hereinafter set forth.

2. TERM. This Agreement shall be for a period of _____ year(s) beginning on the _____ day of _____, 20____, and ending on the _____ day of _____, 20____, and thereafter for a successive similar period, unless on or before sixty (60) days prior to the expiration date or on any such renewal period, either party hereto shall notify the other in writing of its intent to terminate this Agreement, provided that such notice is accompanied by payment to the AGENT of a cancellation fee in an amount equal to ____ of the management fee that would accrue over the remainder of the stated term of the Agreement. For this purpose the monthly management fee for the remainder of the stated term shall be presumed to be the same as that of the last month prior to service of the notice of cancellation.

3. RENTAL INFORMATION. AGENT shall determine lease terms and rent schedules, and will attempt to obtain maximum rent available in current rental market. The net proceeds of rent collected will be forwarded to the OWNER by no later than the 25th day of the month rent is received with OWNER'S monthly statement reflecting receipts, disbursements and charges to OWNER'S account.

Desired Monthly Rental	\$ _____
Minimum Desired Monthly Rental	\$ _____
Minimum Desired Lease Period	_____ Months/Years
Maximum Desired Lease Period	_____ Months/Years
Pet(s) Allowed	No___Yes___Agent Discretion___

(NOTE: Lease periods, number of occupants and acceptance of pets are subject to provisions of Owner's Association of By-Laws and House Rules, City Ordinances, State and Federal Laws.)

4. THE OWNER AGREES:

To pay AGENT as compensation for the operation and management of the Premises during the period this Agreement remains in full force and effect, as follows:

(a) A one-time initial fee of 10% of the first full month's gross rental received for setting up of account and renting the property.

(b) A monthly fee _____ of the monthly gross rental income received, with a minimum of \$0.00 charge.

(c) _____% of the accepted contract value for coordinating any repair, renovation or modernization project to the Premises with value in excess of \$2,500.00.

(d) Additional service fees:

() Electronic Deposit - \$1 each month

() AGENT shall prepare General Excise/Use Tax Return and pay semi-annual General Excise Tax to Hawaii State Tax Collector for OWNER. Fee: \$5.00 per month (General Excise Tax to be deducted monthly from net rental proceeds)

() AGENT shall pay other expenses for OWNER as specified: (Excluding Mortgages)
 Description: _____ Fee: _____ Per _____
 Description: _____ Fee: _____ Per _____
 Description: _____ Fee: _____ Per _____

OWNER shall provide all coupon books or billing statements necessary for mailing

5. THE OWNER FURTHER AGREES:

To give the AGENT the following authority and powers (all or any of which may be exercised in the name of the OWNER) and agrees to assume all expenses in connection therewith:

- (a) To advertise the Premises or any part thereof, to display signs thereon and rent the same;

To cause references of prospective tenants to be investigated; to sign leases for terms not in excess of _____ month(s)/year(s) and to renew and/or cancel the existing leases and prepare and execute the new lease without additional charge to the OWNER; provided, however, that the AGENT may collect from tenants all or any of the following: a late rent administrative charge; a credit report fee; and all costs to terminate tenancies and to sign and serve such notices as are deemed necessary by the AGENT; to institute and prosecute actions to oust tenants and to recover possessions of the Premises; to sue for and recover rent; and, when expedient, to settle, compromise and release such actions or suits, or reinstate such tenancies.

- (b) Authorized Expenditures. To make disbursements from OWNER'S funds for the following expenses:

- (1) Rental advertising and credit agency annual fees.
- (2) Cleaning of Premises between tenancies, including, if AGENT deems it necessary, making minor repairs, window washing, rug shampooing, extermination and other customary services to maintain high standards.
- (3) Making replacements and repairs, if AGENT deems it necessary or advisable, provided that any single expenditure in excess of \$300.00 shall not be incurred without Owner's verbal or written consent (other than in an emergency when consent of OWNER shall be sought if AGENT believes time permits).
- (4) All expenses required for leasing, rental and maintenance.

- (c) Minimum Balance in OWNER'S Account. To deposit with AGENT, the sum \$_____, which AGENT may apply for expenses incurred on account of OWNER or for AGENT'S fees earned hereunder. If additional fees are to be paid for the Owner, a minimum of one month/payment of reserves for each payment will be deposited with AGENT. If the balance in OWNER'S account should be less than that sum, then upon AGENT'S request, OWNER shall within ten (10) days thereafter deposit with AGENT sufficient funds to increase the balance in OWNER'S account to that sum.

- (d) Failure to Pay Fees of Expenditures. Should OWNER fail to pay the fees or reimburse AGENT for its authorized expenditures, AGENT may pay itself out of rental proceeds from the Premises or out of other fees held by AGENT in OWNER'S account.

(e) HOLD HARMLESS. To indemnify, defend and save the AGENT harmless from all claims, investigations and suits with respect to any alleged or actual violation of state or federal labor laws; and from all suits in connection with the Premises and from liability for damage to any furniture, fixtures, other articles therein and from any and all injury to any person or persons whomever, from any cause whatsoever in or about said premises.

To Pay all expenses incurred by the AGENT, including, without limitation, attorney's fees for counsel employed to represent the AGENT or the OWNER in any preceding or suit involving an alleged violation by the AGENT or the OWNER, or both, of any constitutional provision, statute, ordinance, law or regulation of any governmental body pertaining to fair employment, Federal Fair Credit Reporting Act, environmental protection or fair housing, including, without limitation, those prohibiting or making illegal discrimination on the basis of race, sex, color, religion, origin, marital status, children, physical or mental disability or age, in the sale, rental or other disposition of housing or any services rendered in connection therewith (unless the AGENT is finally adjudicated to have personally and not in a representative capacity violated such constitutional provision statute, ordinance, law or regulation), but nothing herein contained shall require the AGENT to employ counsel to represent the OWNER in any such proceeding or suit.

(f) Insurance. To purchase and maintain Owners' Landlord and Tenant liability insurance to cover the Premises for all liability from damage to persons and property, and to name the AGENT as additional insured under said liability insurance, or if OWNER has his or her own personal fire and extended coverage insurance policies on the Premises, then AGENT should be named as additional insured to said policies. AGENT is authorized to place required insurance at OWNER'S expense when duplicate policies of insurance naming AGENT as additional insured are not provided within two (2) working days from the date of this Agreement.

6. THE AGENT AGREES:

To accept the management of the Premises, to the extent, for the period, and upon the terms herein provided and agrees to furnish the services of its organization for the rental operation and management of the Premises.

(a) Rentals and Collections. To use its best efforts to lease and rent the Premises, and to collect all rents and deposits on behalf of the OWNER. AGENT may accept payments in cash, money order or personal checks, but shall not be liable to OWNER for ultimate collection of such personal checks. AGENT'S employees who handle or are responsible for OWNER'S monies shall be bonded.

(b) AGENT shall take reasonable steps to enforce collection of all rental payments. If legal action is required to collect delinquent monies from a tenant, AGENT shall assist OWNER in seeking legal counsel. All expenses related to collections shall be the OWNER'S responsibility. AGENT shall not be held liable for failure of tenant to pay their rent nor shall AGENT be held liable for any damages that a tenant may render to the Premises, unless said AGENT was negligent in its duties.

(c) Deposit of OWNER'S Funds. To deposit all funds collected by the AGENT into a bank or trust company in Honolulu (authorized to do business in Hawaii), designated by the AGENT, and such funds shall be held in trust in a special trust or custodial account, and will not be co-mingled with

any other fund; the AGENT shall not be responsible for any loss resulting from the insolvency of such depository. If interest accrues from such depository, AGENT shall retain said interest.

(d) Distribution of Income to OWNER. AGENT shall deduct from gross rental income received, AGENT’S fees and the reimbursements for authorized expenditures. To the extent, there are amounts available for distribution, AGENT shall distribute the amounts to OWNER, or as OWNER may have directed AGENT.

(e) Security Deposits. AGENT shall collect and retain Security Deposits from the tenant in OWNER’S behalf, for any damages that may be caused by tenant. Such Security Deposit will be:

- utilized by AGENT to replace or repair items damaged by tenant;
- applied towards cleaning of unit if cleaning is required
- disbursed to OWNER, or refunded to tenant as circumstances dictate.

(f) To employ, direct, control and discharge all personnel of help (it is specifically understood and agreed that said personnel are agents and/or employees of OWNER).

(g) To make contracts, if applicable, for electricity, gas, water, telephone, trash or rubbish hauling and other services as such as AGENT shall deem advisable, the OWNER to assume the obligation of any contract so entered into at the termination of this Agreement.

(h) AGENT will maintain a record of accounts of all receipts and disbursements incurred in the management of said Premises, which records shall at all reasonable times be open to OWNER’S inspection. AGENT shall render monthly written statements to OWNER, showing in detail all receipts due from said month’s operation. AGENT will render to OWNER an annual recapitulation statement reflecting therein all receipts and disbursements covering AGENT’S operation for the immediately preceding calendar year or portion thereof. If AGENT is responsible for OWNER’S general excise taxes, AGENT shall deduct from OWNER’S account, during the month of the anticipated due date, payment of said general excise tax (which is normally 4.5% of the total gross rents collected).

Said monthly statements with rental proceeds and annual recapitulation to be mailed to the following person or persons at the address shown:

Name	Address
_____	_____
_____	_____
_____	_____

*Rental Proceeds check made payable to: _____

7. IT IS MUTUALLY AGREED THAT:

(a) AGENT shall be held harmless for failure to pay any charges against the Premises if OWNER does not make necessary funds available to AGENT.

(b) In case the disbursements and charges shall be in excess of the receipts, the OWNER agrees to pay such excess promptly but nothing herein contained shall obligate the AGENT to advance its funds on behalf of the OWNER.

(c) AGENT'S Payment of Funds. AGENT shall not be required to perform any act or duty (including emergency repairs) involving the expenditure of monies unless OWNER has sufficient funds in OWNER'S account.

(d) Inventory List. OWNER shall furnish AGENT a complete up-to-date inventory of furnishings and fixtures in the Premises with an update from time to time.

(e) Keys, House Rules. OWNER shall furnish AGENT with the following:

- three (3) complete sets of keys to the Premises, two (2) sets to be issued to tenant and one (1) set to be retained by AGENT;
- two (2) copies of house rules; and
- copies of all service contracts in effect on the Premises.

(f) All persons employed in connection with the Premises are employees of the OWNER and not the AGENT, and that the AGENT may perform any of its duties through OWNER'S attorneys, agents, or employees and shall not be responsible for their acts, defaults or negligence if reasonable care has been exercised in their appointment and retention.

(g) AGENT shall be separately compensated for special real estate services required by OWNER and not included in the agreed management services (i.e. sales, appraisals, financing, etc.).

(h) Notices. All notices and demands shall be in writing and shall be served by personal service by leaving a copy of such notice or demand at the address herein set forth, or by mailing a copy by certified or registered mail, postage prepaid, with return receipt requested.

(i) Other Items of Mutual Agreement: _____

(j) Fair Housing Laws. OWNER and AGENT shall abide by all state and federal anti-discrimination laws. It is illegal to discriminate against prospective renters based on sex, race, religion, color, national origin, handicap and familial status.

(k) Lead Based Paint. For Homes built prior to 1978. Owners must disclose all known information on lead based paint in the home. Tenants must be provided with an EPA pamphlet on lead hazards.

(1) This Rental Management Agreement contains the entire agreement between the parties and may be modified only in writing signed by the parties. The laws of the State of Hawaii shall govern it, and if provisions of the agreement are in conflict therewith, such provisions shall be amended or deleted, but the remainder of said agreement shall remain fully enforceable.

This Agreement shall be binding upon the successors and assigns of the AGENT and their heirs, administrators, executors, successors and assigns of the OWNER.

EXECUTED and ACKNOWLEDGED in duplicate by the respective parties this _____ day of _____, 20__.

OWNER(S):

Signature

Signature

Signature

Signature

AGENT:

HORITA REALTY LLC
98-150 Kaonohi Street, #B128
Aiea, HI 96701

By _____
Principal Broker / Broker-in-charge

Servicing Agent

Bus. Phone Cell Phone