



PROPERTY MANAGEMENT AGREEMENT

1. **AGREEMENT:** This agreement is made and entered into this _____ day of _____, 201____, by and between _____ hereinafter called "Owner", and Woodstock Properties, Inc. hereinafter called "Agent".
2. **APPOINTMENT OF AGENT:** Owner hereby appoints and employs Agent as sole and exclusive agent of Owner to manage the real property located at _____ hereinafter called "Unit" upon the terms and conditions provided herein. Owner warrants that Owner is the sole owner of Unit or has unconditional authority to execute this Agreement on behalf of any co-owner and that Unit is not subject to current legal action or foreclosure. Agent hereby accepts such appointment and employment and agrees to furnish the services of its organization for the management of Unit.
3. **TERM OF AGREEMENT:** The term of this Agreement shall be for a twelve (12) month period commencing _____, 201____, and thereafter for annual periods unless on or before sixty (60) days prior to the expiration of the initial or any such renewal period, either party hereto shall notify the other in writing of an intention to terminate this Agreement. Should Owner sell or exchange the Unit, or desire to occupy the Unit on a permanent basis, it is mutually agreed that such action will require a sixty (60) day written notice of cancellation of the Agreement. Should Owner terminate this Agreement for any reason other than to sell, trade or to occupy the unit on a permanent basis it is mutually agreed that the Owner shall pay the Agent all management fees which would be collected by the Agent during the remaining period of the existing tenant's rental agreement or two (2) month's management fees, whichever is greater. In addition to the foregoing, should Owner decide to change his plans with regard to the leasing of Unit and inform Agent to cease marketing Unit for rent, Owner shall be liable for all accumulated expenses including but not limited to advertising, repairs and cleaning. In addition, Owner shall pay to Agent a cancellation fee of five hundred dollars (\$500.00). Said expenses and fee are due and payable no later than 30 days from the date Owner notifies Agent to cease marketing Unit.
4. **AGENT FEES:** Owner shall pay to Agent as compensation hereunder:
 - A. An initial management fee of fifteen percent (15%) of the first full month's gross income received each time the Unit is leased to a new tenant.
 - B. A monthly management fee thereafter of ten percent (10%) of the monthly gross income received or one hundred dollars (\$100.00) whichever is greater. Said \$100.00 minimum does not apply when Unit is not occupied.
 - C. An annual fee of twenty five dollars (\$25.00) for administrative costs.
 - D. Owner agrees that if Unit is furnished, there will be an extra charge to Owner of \$250.00 at any check-in or check-out of either Owner or a tenant. (Check-in and check-out for tenant = \$250.00 x 2; check-in and check-out for owner = \$250.00 x 2).

All fees payable to Agent include the 4.5% State of Hawaii General Excise Tax (GET). In the event the tax rate is increased, it is mutually agreed that Owner shall pay a dollar amount equal to the tax increase in addition to the existing fees.

5. DUTIES OF AGENT:

A. Distribution of Income to Owner: On a monthly basis, net proceeds of rent collected will be transmitted to Owner's bank account via Electronic Funds Transfer. Agent shall deduct from gross rental income received Agent's fees and reimbursements for authorized expenditures.

B. Financial Reporting To Owner: On a monthly basis and annually on a calendar year basis, Agent will make available to Owner an itemized statement of all income and expenses related to Unit for that period. Said statement will be made available to Owner via Agent's on-line statement portal.

C. Deposit of Owner's Funds: Agent shall deposit all funds collected by Agent hereunder in a federally insured bank in Hawaii as designated by Agent. Such funds shall be held in trust in a special trust or custodial account and will not be co-mingled with any other funds; Agent shall not be responsible for any loss resulting from the insolvency of such depository.

D. Leasing and Renting: Agent and Owner shall determine monthly rental amount charged to new tenants renting Unit. It is mutually agreed that the lease period desired is twelve (12) months unless otherwise agreed to in writing by Agent and Owner. Agent is authorized to negotiate, prepare and execute all leases, including renewals and extensions of leases, and to cancel and modify existing leases, utilizing Agent forms and agreements exclusively. During the term of this Agreement, Owner shall not authorize any other person to negotiate or act as rental agent with respect to any leases for Unit. During the term hereof, Agent shall use its best efforts to obtain renters for Owner's Unit, to maintain Unit by way of necessary repairs and maintenance and to collect all rents and deposits for Unit. Owner and Agent agree to follow all Federal and Local Fair Housing Laws. Agent shall have authority on behalf of Owner to terminate any lease or rental agreement covering Unit that is in default, to execute and serve such legal or other notices as Agent deems appropriate for the purpose of evicting tenants in default and to recover possession of Unit, to recover unpaid rents and other sums due from any tenant and to settle, compromise and release claims by or against any tenant. Owner agrees that Agent is not responsible for the collection of delinquent accounts. Agent assumes no liability for monies that are uncollectible or for any damages or costs related to the tenancy and Unit. Agent assumes no responsibility or management of personal property left by Owner at Unit.

E. Advertising: Agent is authorized to advertise Unit for rent by any means Agent may deem proper and advisable. Agent is authorized to place signs on Unit advertising Unit for rent subject to the limitations imposed by Owner's Association, if applicable. Owner agrees to reimburse Agent for all advertising costs at a rate of one hundred fifty dollars (\$150.00) each time Unit is rented.

F. Security Deposits: Agent shall comply with all applicable state or local laws concerning the responsibility for security deposits. Security deposits will be deposited in an account (the "Security Deposit Holding Account") maintained by Agent for Unit. Agent shall collect and maintain security deposits on tenants' behalf, which deposits will be utilized by Agent to replace or repair items damaged by Tenant, applied toward cleaning of Unit, disbursed to Owner, or refunded to tenant, as Agent may reasonably determine. All interest generated by the Security Deposit Holding Account shall be retained by Agent. When returning security deposit funds to tenants, said funds shall be applied in the following order: (1) Non-sufficient fund fees, late fees and/or service fees, (2) Tenant caused billing, (3) Past due utilities, (4) Attorney fees, (5) Tenant caused property damage, (6) Past due rent, oldest month to newest. Should Unit sell or upon termination of this Agreement, Owner authorizes Agent to deduct any outstanding fees owed by tenant to Agent from the security deposit prior to releasing these funds.

G. Management Services Not Included: Normal property management does not include monthly inspections, representation at court hearings, depositions, homeowner meetings, providing on-site management, property sales, refinancing, preparing Unit for sale or refinancing,

supervising and coordinating modernization, rehabilitation, fire or major damage restoration projects, obtaining income tax, accounting or legal advice, advising on proposed new construction, debt collection, and counseling. If Owner desires Agent to perform services not included in normal property management or as specified above, a fee shall be agreed upon for these services before work begins.

6. DUTIES OF OWNER:

A. Minimum Balance in Owner Account: Owner shall maintain on deposit with Agent the sum of one hundred dollars (\$100.00), which Agent may apply against authorized expenditures for Unit or for Agent's fee earned hereunder. If the balance of Owner's account should be less than one hundred dollars (\$100.00), then upon receipt of a statement from Agent, Owner shall within ten (10) days thereafter deposit with Agent sufficient funds to increase the balance in Owner's account to one hundred dollars (\$100.00).

B. Owner Shall Pay: Owner shall be responsible for paying Owner's monthly mortgage payment, Homeowner Association fees and special assessments, leasehold rent, property tax, premiums for casualty and liability insurance relating to Unit, general excise tax if they so choose and any other fees and dues applicable to Unit.

C. Keys, House Rules & Appliance Manuals: Owner shall furnish Agent with three (3) complete sets of keys to the Unit, two (2) sets of keys which will be issued to tenant and one (1) set to be retained by Agent. Owner shall furnish two (2) sets of current copies of House Rules. Owner shall furnish Agent one (1) copy each of all service contracts, warranties and appliance manuals in effect for Unit.

D. Property Preparation: Prior to turning Unit over to Agent, Owner agrees, at Owner's expense, to complete the four (4) listed preparations in the following order:

1. Professional Dryer Duct Cleaning: Owner shall have dryer ducts professionally cleaned unless this service was recently performed on Unit.

2. Professional Carpet Cleaning: Owner shall have carpets professionally cleaned using the "extraction method".

3. Professional Cleaning: Owner shall have Unit professionally cleaned.

4. Pest Treatment: Owner shall have professional pest treatment for "ants and roaches" performed in Unit. If a family pet was residing in Unit, Owner shall additionally schedule two treatments, typically two weeks apart for prevention of "fleas and ticks".

E. Inventory List For Furnished Unit: Owner shall present to Agent a complete listing of all items in Unit when Unit is a "furnished" Unit. Owner shall update from time to time a complete and current inventory of furnishings and fixtures in "furnished" Unit. Owner shall notify Agent of any changes in inventory.

F. Property Description Form: Owner shall present to Agent a signed, completed "Property Description Form", attached as "Exhibit A" hereto for the Unit. Owner agrees to hold Agent free and harmless from any liability or damage arising from incorrect or undisclosed information provided to Agent on this form.

G. General Excise Tax (GET) Owner Information Form: Owner acknowledges that all gross rents received in the state of Hawaii are subject to General Excise Tax (GET) and are an obligation of Owner. Owner shall present to Agent a signed, completed "General Excise Tax Owner Information Form" attached as "Exhibit B" hereto.

H. Electronic Payment Service Authorization Owner Form: Owner shall present to Agent a signed, completed "Electronic Payment Service Authorization Owner Form" attached as "Exhibit C" hereto.

I. Authorization To Receive AOA Notices and Fines Form: Owner shall present to Agent a signed, completed "Authorization To Receive AOA Notices and Fines Form", attached as "Exhibit D" hereto.

J. W-9: Owner shall present to Agent a signed, completed "W-9, Request for Identification Number and Certification Form", attached as "Exhibit E" hereto.

K. Lead Based Paint Disclosure: For Units built before 1978, Owner shall present to Agent, if applicable to their Unit, a signed, completed "Lead Based Paint Disclosure Form", attached as "Exhibit F" hereto.

L. Transfer of Privileges: If Unit is part of an Association whereby privileges to use associated recreation facilities may be transferred to tenant, Owner shall present to Agent, signed and completed "Transfer of Privileges" form. Said form is specific to each Owner's individual Association.

7. **Pets:** Agent and Owner mutually agree that pets **are/are not** (circle one) allowed, and if allowed any restrictions are herein listed: _____.
Owner understands that acceptance of pets are subject to provisions of Owner's Association By-Laws, House Rules, City Ordinances as well as State and Federal Laws.

8. MAINTENANCE AND REPAIRS:

A. Authorized Expenditures:

1. Agent is authorized to make or cause to be made, through contracted services or otherwise, all ordinary repairs and replacements reasonably necessary to preserve and maintain Unit in an attractive condition and in good state of repair for the operating efficiency of the Unit, and all alterations required to comply with lease requirements, governmental regulations, or insurance requirements. Such maintenance and repairs will be paid by Owner and through the Operating Account. Agent shall not be liable to Owner for any act, omission, or breach of duty of such independent contractors or suppliers.

2. Owner agrees that the following list of improvements are to be cleaned professionally at a time which is designated by Agent and charged to Owner. Agent and Owner agree that every attempt shall be made to coordinate such services with the move-out of a tenant, or possibly on a scheduled basis. Agent and Owner agree that there is too great a liability to Owner to allow or require the tenant to: clean second floor windows when applicable.

3. Replacements and repairs to Unit not to exceed any single expenditure in excess of three hundred-fifty dollars (\$350). Should Agent have reasonable expectation that any single expenditure for replacement and/or repair shall exceed said \$350 limit, Agent shall contact Owner for Owner's authorization. Owner agrees that an exception to the above would be in the case of an emergency or repair/replacement considered a matter of "habitability" and pertaining law.

4. Owner shall be charged the expense to rekey their Unit between tenant occupancies.

5. Due to the volume of business and Agent's business relationships with vendors, certain benefits in the form of rebates and discounts are sometimes made available to Agent. Agent applies any applicable rebates and discounts to Owner's account. Agent does NOT retain any financial benefit from any vendor, supplier or contractor.

6. When applicable, Owner shall indicate in writing on "Property Description Form" ("Exhibit A"), the vendor who is to care for the yard.

B. Payment of Expenditures: Owner understands and agrees that should Owner fail to pay the expenditures or reimburse Agent for authorized expenditures, Agent may pay itself out of rental proceeds from Unit or other fees held by Agent in Owner's account. Furthermore, Agent shall not be required to perform any act or duty hereunder (including emergency repairs) involving the expenditure of money unless Owner has sufficient funds on deposit in Owner's account to cover said expenditures or estimated costs.

C. Normal Wear And Tear Defined: Owner stipulates that they have read this paragraph explaining "normal wear and tear" as defined by Hawaii State Law and further stipulates that Agent shall charge tenants and/or otherwise deduct from Unit's security deposit in accordance with Hawaii State Law. Repair and maintenance costs that do fall within the defined parameters of

“normal wear and tear” and are deemed to be necessary will be repairs expensed to Owner. According to Hawaii State Law, normal wear and tear means the deterioration that occurs based upon the use for which the rental unit is intended and without negligence, carelessness, accident, misuse, or abuse of the premises or contents by the tenants, their family, or their guests. For the purposes of this agreement, Agent DOES NOT consider the following items as normal wear and tear: Moly fasteners/screws/nails installed in walls, carpet cleaning, extreme traffic wear of carpet, torn, burned, or stained carpet, pet deodorizer, general cleaning, blind cleaning/repair/replacement, window cleaning, replacement of expired light bulbs, replacement of smoke detector batteries, repainting due to smoke/candle damage, broken toilet tanks, replacement of air conditioner filters, or ripped or marked wallpaper.

D. Additional Services: The Property Management fee covers our services of responding to the normal wear and tear issues of a unit. If your unit needs extensive painting, carpet replacement, termite tenting, cabinet replacement, etc. we consider these to be renovations and not maintenance. Additionally, the extensive repairs required as a result of damage from leaks, floods, sewerage back-ups, asbestos abatement, fire and other catastrophic events is likewise not considered maintenance. To offset the additional man-hours required with these renovations and “special” projects, Woodstock Properties, Inc. does charge a 10% fee on the cost of these renovations and/or “special” projects.

We have assisted many of our other owners with these types of renovations and have a list of skilled, pre-approved vendors. As an added service, we will gladly price out, coordinate and supervise this type of work for you. The vendors we use are independent contractors and not employees. Woodstock Properties, Inc. does not receive or accept any financial benefit from our relationship with these vendors.

9. INSURANCE:

A. Hold Harmless And Liability: Nothing in this Agreement shall be construed as rendering Agent liable for any act, omission, or occurrence resulting from or in any manner arising out of the performance of Agent’s duties and obligations hereunder, or the exercise by Agent of any of the powers or authority herein or hereafter granted to Agent by Owner, or the use of any lease or rental agreement required by Owner. At all times this Agreement is in effect, Owner, at Owner’s expense, must maintain in full force and effect:

- 1.** Fire and extended coverage for all casualties and hazards customarily covered by casualty insurance in the State of Hawaii for the full insurable value of Unit, containing endorsements that contemplate the leasing of Unit by Owner and vacancies between lease terms.
- 2.** Public liability insurance naming Agent, Woodstock Properties, Inc. as additional insured.
- 3.** Within fifteen (15) days from the effective date, Owner must provide Agent a copy of a certificate of insurance evidencing the required coverage. If the insurance coverage changes in the manner or degree at any time this Agreement is in effect, Owner must provide Agent a copy of the insurance certificate evidencing any change within ten (10) days of the change.
- 4.** Owner agrees to indemnify, defend and hold Agent harmless from all claims, investigation, and lawsuits by third parties related to Unit, and the management and leasing, whether occurring during the term of this Agreement or after its termination, and from any claim or liability for damage to property, or injuries or death of any person.
- 5.** Agent shall not be liable for any willful neglect, abuse or damage to Unit by tenants, vandals, or others nor loss or damage to any personal property of Owner.
- 6.** If at any time during or after the term of this Agreement, Unit is found to be contaminated with hazardous waste, Owner agrees to indemnify and hold Agent harmless from all claims, demands, actions, liabilities, costs, expenses, damages and obligation of any nature arising from or as a result of said hazardous waste. The foregoing indemnification shall survive the termination or expiration of this Agreement.

7. Owner shall save and hold Agent harmless on account of any damage to the Unit or from loss of or damage to any furniture, fixtures and other articles therein and from any and all injury to any person or persons whomsoever, from any cause whatsoever, in or about said Unit.

8. Agent shall not be liable for any error of judgment or for any mistake of fact of law, or for anything which it may do or refrain from doing, except in case of willful misconduct or gross negligence.

B. Owner-Landlord-Tenant Insurance:

1. Owner shall purchase and maintain complete Owner's Landlord and Tenants (OLT) liability insurance to cover the Unit for all such liabilities and shall furnish Agent with a copy of said liability insurance policy and such fire and extended coverage insurance policies on the Unit, or certificates thereof, from an insurance company authorized to do business in the State of Hawaii. Such policies shall be so written as to protect the Agent in the same manner and to the same extent they protect the Owner, and will name the Agent as additional insured.

2. Agent is authorized to place required insurance at Owner's expense where duplicate policies or certificates of insurance naming Agent as additional insured are not provided on or before fifteen (15) days after the date of this Agreement.

10. **SEX OFFENDER REGISTRATION ("MEGAN'S LAW):** Hawaii has enacted a law requiring sex offenders to register with the Attorney General's office. Owner makes no representation as to whether or not the public will have access to this information. As per current Hawaii State law, neither Owner nor Agent is required to obtain information regarding sex offenders.

11. **BINDING EFFECT:**

1. This Agreement shall be binding upon the parties hereto and their respective personal representatives, heirs, administrators, executors, successors and assigns.

2. Should any Section of any part of any Section of this Agreement be rendered void, invalid, or unenforceable by any reason by any court of law exercising competent jurisdiction, such a determination shall not render void, invalid, or unenforceable any other Section or any part of any Section in this Agreement.

3. The drafting, execution and delivery of this Agreement by the parties have been induced by no representations, statements, warranties or agreements other than those expressed in this Agreement. This Agreement embodies the entire understanding of the parties, and there are no further or other agreements or understanding, written or oral, in effect between the parties relating to the subject matter hereof unless expressly referred to in this Agreement.

12. **SPECIAL POWER OF ATTORNEY:**

A. Owner hereby makes, constitutes and appoints Agent with full power of substitution, his true and lawful attorney-in-fact to:

1. Let, rent and lease on such terms and conditions as said attorney in fact may deem proper and to extend or renew any lease or minimum term tenancy now or hereafter in effect, for such term or terms and at such rents and subject to such covenants, provisions and constitutions as they may deem best for the above described Unit.

2. Ask, demand, collect, and receive all rents and moneys, and to file receipts therefore; to order, direct, superintend, and manage all repairs, alterations, and improvements, and to make disbursements for the same; to make all purchases; in general, to do and perform all acts and things incident to the management of Unit and make all proper and necessary disbursements in connection therewith. Agent shall also have full power to lease said Unit as provided herein and to do all acts necessary for the carrying out and execution of such leases or minimum term tenancies. Agent shall have full power to initiate, set up, terminate, or modify any and all utilities or landlord service agreements for all utilities related to Unit, such as but not limited to: electric, gas, water, sewer, trash, and irrigation.

- 3. Giving and granting unto said attorney full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the above stated Unit, as fully to all intents and purposes Owner might or could do if personally present, and hereby ratifying and conforming all that said attorney shall lawfully do or cause to be done.
- B. The foregoing grant of authority is a Special Power of Attorney coupled with an interest, is irrevocable during the term of this Agreement, and shall survive the incapacity or death of the Owner.

13. ENTIRE AGREEMENT:

- A. This Agreement contains the entire agreement between the parties and may be modified only in writing signed by both the parties. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Agent, and the heirs, administrators, executors, successors and assigns of the Owner. It shall be governed by the laws of the State of Hawaii, and if provisions of this Agreement are in conflict therewith, such provisions shall be severable, and the remainder of this Agreement shall remain fully effective.
- B. The "Property Description Form" is attached as Exhibit A and is an integral part of this agreement.
- C. The "General Excise Tax Owner Information Form" is attached as Exhibit B and is an integral part of this agreement.
- D. The "Electronic Payment Service Authorization Owner Form" is attached as Exhibit C and is an integral part of this agreement.
- E. The "Authorization To Receive AOA Notices and Fines Form" is attached as Exhibit D and is an integral part of this agreement.
- F. The "W-9 Form" is attached as Exhibit E and is an integral part of this agreement.
- G. The "Lead Based Paint Disclosure Form" is attached as Exhibit F and is an integral part of this agreement if Unit was built before 1978.
- H. The "Transfer of Privileges Form" is attached as Exhibit G and is an integral part of this agreement when Unit is part of an Association with transferable privileges.

- 14. **NOTICES:** All notices and demands hereunder shall be in writing and shall be served by personal service by leaving a copy of such notice or demand at the address hereinafter set forth, or by mailing a copy of such notice or demand at the address hereinafter set forth, or by mailing a copy by certified or registered mail, postage prepaid, with return receipt requested addressed as follows:

OWNER:

Owner

Owner

Owner's Mailing Address

City State Zip

AGENT:

Dusty Woodstock R, CRB, CRS, GRI, RMP
 (LINDA C. WOODSTOCK #RB12155)
 PROPERTY MANAGER
 Woodstock Properties, Inc.
 98-211 Pali Momi Street Suite 430

Owner Initials: _____/_____

Aiea, Hawaii 96701
(808) 488-1588, (808) 487-0557 FAX
Dusty@WoodstockHawaii.com
www.WoodstockHawaii.com

Signed in duplicate this _____ day of _____, 201___. Receipt of a copy of this agreement is hereby acknowledged by each party.

Owner's Signature

Social Security Number

Owner's Signature

Social Security Number

Address

City State Zip

Business # Home #

Cellular# Fax #

Email address

Agent's Signature

Linda C. "Dusty" Woodstock R, CRB, CRS, GRI, RMP
(LINDA C. "Dusty" WOODSTOCK #RB12155)
Property Manager
Woodstock Properties, Inc.

Linda C. "Dusty" Woodstock – R, CRB, CRS, GRI, RMP
Principal Broker/Property Manager
Woodstock Properties, Inc.
(808) 488-1588
(808) 487-0557 Fax
(808) 371-7711 Cell

The right choice when you need a professional to sell, buy, manage or rent your home.



Woodstock Properties, Inc.

Email: Dusty@WoodstockHawaii.com
WWW.WoodstockHawaii.com



Owner Initials: _____/_____