

KAMEHAMEHA REALTY

98-084 Kamehameha Highway, Suite 305 Aiea, Hawaii 96701 (808) 488-2477

PROPERTY MANAGEMENT AGREEMENT

This Agency Agreement made this ____ day of _____, 20 ____, by and between _____ (hereinafter referred to as "**Owner**") and _____ (hereinafter referred to as "**Agent**") of **Kamehameha Realty**.

Pursuant to Act 234, Chapter 237, Hawaii Revised Statutes, the Owner hereby agrees to provide the information:

Owner(s) Name: _____
Owner(s) Address: _____
Social Security Number(s): _____
Telephone Nos: Res: _____ **Bus:** _____ **Bus:** _____
Cellular Phones: _____ **Email:** _____
General Excise Tax No: _____

Description of Rental Property:

Address: _____
Street _____ **Apt. #** _____

City _____ **State** _____ **Zip Code** _____
Name of Project: _____ **Neighborhood:** _____
Bedrooms: _____ **Baths:** _____ **Parking Type:** _____ **Stall No.:** _____
Interior Sq. Foot Area: _____ **Lot Sq. Foot area:** _____ **Year Built:** _____
Other Pertinent Facts: _____

Availability Date: _____

In addition, the Owner and Agent acknowledge that:

"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."

The Agent shall file a copy of the first page of this Agreement with the State Department of Taxation within thirty (30) days after entering into this Agreement or file a copy of Federal Internal Revenue Form 1099 with the State by February 28 following the calendar year.

Both Owner and Kamehameha Realty agree that Owner will be actively involved in the major management decisions in regards to the renting of the rental property. Whenever possible the Owner will be contacted by Kamehameha Realty in order to make the following decisions:

1. Decide the terms of a rental agreement.
2. Decide which tenant will rent the property.
3. Decide on how to handle any repairs or replacements with an estimated cost in excess of \$250.00.

A. Appointment of Agent

Pursuant to the terms hereinafter contained, the Owner hereby engages and appoints Agent and Kamehameha Realty as its exclusive rental agent and agency to rent and manage the Owner's rental property together with all of the contents therein, a current and complete list of which shall be furnished to Agent and attached hereto as exhibit "A" (said property and its contents hereinafter called the "Unit"). Subject to Agent's verification and acceptance of the list of contents, Agent hereby accepts such appointment for the term hereof and Owner agrees to notify Agent in writing of any changes in the list of contents.

B. Term

This Agreement shall become effective on _____, 20____ and shall continue in full force and effect until _____, 20____. Thereafter, this agreement shall be automatically renewed from year to year, however, that either party may elect to terminate this agreement upon giving thirty (30) day's written notice.

Should the Owner desire to occupy the unit on a permanent basis, such action shall be secondary to any current lease then in effect or pending lease negotiated by Agent.

C. Rental Information

Agent is hereby authorized to lease Owner's unit pursuant to the following terms:

Asking Rent \$_____ Minimum Acceptable Rental \$_____.

Asking Lease Period _____ Minimum Lease _____ Maximum Lease _____

Pets Allowed? Yes _____ No _____

Check the utilities to be paid by Owner:

Water	Yes ()	No ()
Electric	Yes ()	No ()
Gas	Yes ()	No ()
Cable TV	Yes ()	No ()
Yard Service	Yes ()	No ()
Telephone	Yes ()	No ()

Other: _____

D. Fee to Agent

Owner agrees to pay the Agent, as compensation for service under this agreement a monthly fee of **eight per cent (8%)** of the monthly gross rents received. Agent shall be entitled to deduct these fees from the funds in its possession. For re-leasing of the unit, the same terms shall apply. In addition, Agent will charge and retain from the Tenant \$25.00 for any checks returned to the Agent due to insufficient funds plus any bank service fees.

E. Rental Services

The Agent will perform such acts provided for in this Agreement including the following:

1. Find tenants for unit and execute lease agreements per paragraph C.
2. Agent shall collect all rents and deposits on behalf of Owner for all rental activity so long as this agreement is in force.
3. Agent shall advertise as necessary at the Owner's expense.
4. Agent shall do a check-in and check-out inspection of the premises.
5. Agent shall prepare for Owner both monthly and annual statements of income and expenditures.
6. Agent shall provide on Owner's behalf, all necessary and appropriate repair, housekeeping and maintenance services. Such services shall be paid for as provided for in paragraph F.
7. To the extent that Agent has sufficient funds in Owner's account, the Agent will on behalf of the Owner, pay the following:

- | | | |
|--|---------|--------|
| a) Condominium association maintenance fee | Yes () | No () |
| b) General excise tax and license | Yes () | No () |
| c) Community association dues | Yes () | No () |
| d) Others: | _____ | |

F. Expenses

1. The Agent shall deduct from unit revenue all expenses related to rental operations including but not limited to maid and housekeeping expenses, repairs and maintenance, assessment fees, advertising (to be paid by Owner), commissions.
2. Distribution to Owner will be NET after Agent's fees.
3. The Agent requires as part of this agreement that each unit will have a thorough cleaning at Owner's expense between tenancies, and such cleaning shall be left to the discretion of the Agent. This cleaning will include, if necessary, rug shampooing, floor waxing, window washing and other such services. The Agent will also require the tenant to leave the unit in clean condition upon the termination of any rental agreement.
4. The Agent shall contract, at the request of and on behalf of the owner, for any alteration, extermination, air conditioning, master antennae, and cable television maintenance and other services as are deemed advisable, to properly operate and maintain the Owner's unit. No expenditures in excess of Two Hundred Fifty Dollars (\$250.00) will be incurred without Owner's consent; provided, however, that emergency repairs necessary to protect the unit from damages may be made without the Owner's prior approval.
5. Agent shall not be required to perform any act or duty hereunder involving the expenditures of moneys unless Agent shall have in its possession sufficient funds available. Although not obligated, Agent may advance such sums as it may deem necessary, and Owner agrees in such cases that immediately upon notice thereof by Agent, Owner will pay to Agent the sums necessary to cover such advances.
6. The Owner shall deposit with Agent an initial **Working Capital Fund of Two Hundred Dollars (\$200.00)**. The Working Capital Fund may be used to pay for repairs, advertising, and if applicable, utilities, yard service, general excise tax, and other applicable expenses. The Working Capital Fund also provides a reserve in our checking account to cover our checks to the Owner in the event that the Tenant's rent check should have insufficient funds. The Working Capital Fund will be returned to the Owner upon the termination of this Property Management Agreement.

G. Power of Attorney and Indemnification

1. Owner hereby makes, constitutes and appoints Agent with full power of substitution his true and lawful attorney in fact for him and in his name, place and stead and for his use and benefit: (i) to sign and acknowledge any lease of his unit pursuant to the liens hereof; and (ii) to take any actions including eviction of any tenant authorized by such leases and/or necessary to enforce compliance with such leases; provided, however, that if time permits Agent will consult with and obtain Owner's written approval prior to any such action. 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 of death of the undersigned.

2. Owner agrees to hold Agent harmless from any damage to said property or from loss or damage to any furniture, fixtures, other articles therein and from any and all injury to any person or persons whomsoever, or damages to property arising from any cause whatsoever in or about the unit and the premises or in connection with the performance of this agreement.

3. Owner shall furnish complete liability insurance to cover his unit, and will supply Agent with a copy of such liability insurance policy or certificate of insurance. Owner will name Kamehameha Realty as additional insureds on the insurance policy.

H. Distribution of Owner's Net Rent Proceeds

1. Agent shall mail net rent proceeds in the form of a check made payable to the Owner at the following address: Yes () No ()

Owner's Name

Street Address

City State Zip

2. Agent shall deposit net rent proceeds in the Owner's account Yes () No ()

Names on Account

Name of Bank or Credit Union

Account Number Checking Account () Savings Account ()

I. KAMEHAMEHA REALTY IS RESPONSIBLE FOR SAFE KEEPING OR CUSTODY OF THE SECURITY DEPOSIT AND ANY INTEREST EARNED ON THE SECURITY DEPOSIT SHALL BE PAID TO KAMEHAMEHA REALTY.

J. Notes:

This agreement contains the entire agreement between the parties hereto with respect to the transactions contemplated herein and shall not be modified or amended except by an instrument in writing signed by or on behalf of the parties hereto. This agreement shall be binding upon the successors, and assigns of owner. This agreement shall be governed in accordance with the laws of the State of Hawaii.

IN WITNESS WHEREOF, the parties hereunto caused this agreement to be executed in duplicate this _____ day of _____, 20____.

Owner's Signature

Agent's Signature

Owner's Signature

(808) 488-2477

Business

Cell

(Email address)

Broker

EXHIBIT A

Street Address of Rental Unit	City	State	Zip
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The following contents are to be included in the renting of the above unit:
