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 (Revised and Updated: February 22, 2010)

## Rental Property Management Agreement

Vacation rental       Long Term Lease (6 months or more)

Owner(s) Names: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Name of Property: \_\_\_\_\_

### Contact Numbers:

Home #		Office Fax	
Home Fax		Cell Phone	
Office/Work		E-Mail	

Hawaii Gross Excise Tax License # (Required): \_\_\_\_\_

Social Security# (Required): \_\_\_\_\_

Transient Vacation Rental Certificate # (Required) \_\_\_\_\_

Please print name as you want them to appear on disbursement checks:

\_\_\_\_\_

**Please Note:** Owners of **vacation rentals** are responsible for paying the **4%** Hawaii General Excise Tax + **8.25%** Transient Accommodation Tax on the gross rental income received on their real estate property listed below. **Owners of long term rentals are responsible for paying the 4% Hawaii General Excise Tax only.** Owners renting out their homes and collecting the 4% G.E.T. from the Tenant are required to pay 4% upon the 4% collected (*called gross income*) from the Tenant. AGENT herein is required by law to furnish a copy of the first page of this Agreement to the State Tax Office and OWNER hereby acknowledges this disclosure.

For Property Located at (street address):

\_\_\_\_\_

\_\_\_\_\_

Telephone Number at the Property: \_\_\_\_\_

This Agreement will renew automatically for periods of one year unless cancelled by either party, per the terms set forth within this Agreement.

Please confirm the rates by signing below:

Category	Regular Season	High Season (Holiday)
Vacation Daily Rate:	\$	\$
Vacation Weekly Rate:	\$	\$
Long Term Monthly Rate	\$	\$

Collect 4.166% General Excise Tax from Long Term Tenant? \_\_\_\_\_

Owner's Signature \_\_\_\_\_ Date: \_\_\_\_\_

**Recitals:**

In consideration of the covenants herein contained, \_\_\_\_\_ ("OWNER"), and **RE/MAX Kauai**, "AGENT"), agrees as follows (the "Agreement" which term shall include Pages 1 and 2 hereof):

1. OWNER hereby appoints AGENT exclusively to rent, lease, operate and manage the property known as \_\_\_\_\_ upon the terms hereinafter set forth for the period of One Year beginning on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (year) and ending on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (year), and thereafter for annual periods.

Either party may terminate this Agreement upon (30) days written notice: however, this Agreement may not be terminated for 6 months from date of signature, while any tenant of RE/MAX Kauai is occupying the property or there is an outstanding balance in the OWNER account due to RE/MAX Kauai.

**2. AGENT hereby accepts the appointment referred to above and agrees to:**

a) Use diligence in the management of the premises for the period and upon the terms herein provided, and agrees to furnish the services of its organization for the renting, leasing, and the managing of the herein described premises. Management services include procuring and screening tenants, collecting and disbursing rents and security deposits, executing rental agreements, scheduling cleaning, maintenance and minor repairs, pursue late rent payments, promoting and advertising rental units, mediate security deposit and tenant/owner responsibility disagreements, and bookkeeping services to include payment of cleaning, service, utility and repair bills, and inventory purchases as necessary, and as owner requests. Management services *Do Not Include* payment of mortgages, insurance premiums, Association dues or taxes, or handling of insurance claims. Management also does not include renovation or redecoration services; however, AGENT may upon OWNER's request assist in these matters at a nominal charge to OWNER.

- b) Render monthly statements of receipts, expenses, and charges, and remit to the OWNER receipts, less disbursements. In the event the disbursements shall be in excess of the rents and/or the reserve account collected by the AGENT, OWNER hereby agrees to pay such amount promptly upon demand of AGENT.
  - c) Deposit all receipts collected for OWNER (less any sums properly deducted or otherwise provided herein) in a Trust Account in a national or state institution, namely First Hawaiian Bank in Princeville, qualified to engage in the banking or trust business, separate from AGENT'S personal account. However, AGENT will not be held liable in the event of bankruptcy or failure of a depository.
  - d) **Security Deposits.** AGENT shall collect and hold security deposits on long term tenant's behalf, to be used to replace or repair items damaged by tenant, to be applied toward cleaning of the premises chargeable to tenant, refunded to tenant or disbursed to OWNER, as AGENT may reasonably determine. OWNER is aware that all security deposits are held by RE/MAX Kauai and may be deposited into an interest earning account in favor of RE/MAX Kauai as additional compensation. OWNER is aware that it may be necessary to deduct utilities from tenants' security deposit in the event utilities are in OWNER'S name, but tenants have contracted to pay for the utilities.
  - d) **Insufficient funds.** AGENT shall not be obligated to make any advance or incur any liability for OWNER'S Reserve Account. AGENT shall not be liable for loss sustained by OWNER by reason of nonpayment or late payment of any expenses or rent.
  - e) OWNER agrees that AGENT cannot be held responsible for handling repairs, remodeling, rebuilding or insurance claims that result from damage to property caused by any "Act of God," such as fire, hurricane, tsunami, flooding, etc. In case of such event, a licensed contractor should be contracted by the OWNER. This contract shall be made null and void if the house or condominium becomes uninhabitable for any reason.
  - f) AGENT shall collect all rents & deposits for the premises. AGENT may accept payments in cash, credit card, money order or personal checks, but not liable for collection of such personal checks.
- 3. OWNER hereby gives AGENT the following authority and powers to pay the expenses in connection herewith out of the bank account referred to in Section 2(c) above or as otherwise arranged between AGENT and OWNER:**
- a) To advertise the availability for rental of the herein described premises or any part thereof, and to display "for rent" signs thereon; to sign, renew and/or cancel leases for the premises or any part thereof; to collect rents due or to become due and give receipts therefore; to terminate tenancies and to sign and serve in the name of OWNER such notices as are appropriate; to institute and prosecute actions to evict tenants and to recover possession of said premises. Any original lease executed for the OWNER by AGENT shall not exceed one (1) month without consent of OWNER.
  - b) To make or cause to be made and supervise repairs and alterations, and to purchase supplies and pay all bills therefore. AGENT agrees to secure the prior approval of OWNER on all expenditures in excess of \$300.00 for any one item, except monthly or recurring operating charges and/or emergency repairs in excess of the maximum, if in the opinion of the AGENT such repairs are necessary to protect property from damage, or to maintain services to the tenants as called for in their lease. In such event, AGENT shall as soon as is practicable inform OWNER of the cost for such repairs.
  - c) To hire, discharge or supervise all labor required for the operation and maintenance of the premises. AGENT may perform any of its duties through OWNER'S attorneys or agents and shall not be responsible for their acts, defaults or negligence if reasonable care has been exercised in their appointment and retention.
  - d) To make contracts for electricity, gas, water, telephone, window/screen cleaning, trash hauling and other services, or such as AGENT shall deem advisable; OWNER shall assume the obligations of any contract so entered into.

**4. OWNER further agrees to:**

- a) **Inventory List.** OWNER shall provide to AGENT and update as necessary a complete inventory of furniture and fixtures in the premises. There may be additional time required to set-up your home, to store your personal items, or to conduct any further cleaning necessary for your home to meet RE/MAX Kauai's high standards. OWNER will be charged on an hourly basis by the providers of such services. The hourly charge may range from \$25-\$35.
- b) **Keys, House Rules.** OWNER shall furnish AGENT with a copy of house rules if applicable, copies of all service contracts in effect on the premises, and 4 (four) sets of working keys.
- c) **Hold AGENT harmless** from all damage suits in connection with the management of the herein described property and from liability from injury suffered by an employee, guest, tenant or other person(s) whomsoever, and to carry at their own expense, necessary public liability insurance and worker's compensation insurance (if applicable) adequate to protect the interest of the parties hereto, which policies shall be so written to protect AGENT in the same manner and to the same extent they protect OWNER; and will name AGENT as a co-insured. AGENT shall also not be liable for an error of judgment or for any mistake of fact or law, or for anything which it may do or refrain from doing hereinafter, except in cases of gross negligence or willful misconduct.
- d) **To have AGENT named as additional insured on OWNER premises liability insurance** during the term of this Agreement and to provide AGENT with a certificate evidencing same. AGENT will not rent the property without documentation of being named additional insured on the premises liability insurance, and **lack of liability insurance coverage may be grounds for AGENT to cease renting property.**
- e) To pay Hawaii Gross Excise Tax and Transient Accommodation Tax when applicable.
- f) **To pay AGENT a vacation rental management fee of 25% (twenty-five percent) of all vacation rental income collected, except as otherwise noted below.**

**To pay AGENT a vacation rental management fee of 15% (fifteen percent) for all owner referred bookings. All booking processes must go through RE/MAX Kauai.**

**There is a flat \$40.00 fee [subject to change with notice] for non revenue bookings or "comps" given by OWNER to family or friends. For such non revenue bookings, OWNER must provide names and ages of minors, and a contact phone number for emergencies. For a charity donation, OWNER must provide the foundation's letter of receipt as proof.**

**No fee will be charged when OWNER physically occupies the unit.**

**To pay AGENT a management fee of 10% (ten percent) of all LONG TERM (more than 6 months) rental income collected.**

**AGENT may charge your account \$25.00 per hour for rechecking the inventory of your home after a stay by anyone other than a paying tenant of RE/MAX Kauai.**

**The Escapia Web Portal fee is \$25.00 per month. This fee is to keep the OWNER's web page powered through our website. This also entitles OWNER 24/7 online access to OWNER Statements and the real time booking calendar. Through this portal OWNER is able book his/her own vacation rental property at any time of the day regardless of the time difference.**

- g) An in-clean fee for check-ins will be charged to the OWNER'S account. Any maintenance charges and any cleaning charge resulting from any source other than paying guests/tenants will be debited to OWNER'S reserve account. Please be advised that RE/MAX Kauai makes no profit on cleaning or maintenance services. Such services are delivered by independent contractors and OWNERS are billed directly, according to the statements we receive.
- h) To pay all charges related to installation and maintenance of a lock box, and all necessary key copies.
- i) **Minimum Balance in OWNER'S Reserve Account.** For Vacation Rentals - OWNER will deposit

with AGENT, and AGENT shall acknowledge receipt of the sum of \$300.00 which AGENT may apply for expenses incurred on OWNER'S behalf or for AGENT'S fees. If the balance in OWNER'S reserve account falls below this sum, OWNER shall restore this balance by depositing additional funds within 10 (ten) days of AGENT'S request for such additional funds, or AGENT may deduct funds from rental income to restore the OWNER account balance to the minimum.

j) AGENT reserves the right to raise fees (*other than the 10% - long term lease, or the 25% - vacation rental management fee*) upon the renewal of this Agreement, due to rising costs of doing business.

k) **Hold Harmless.** All obligations or expenses incurred hereunder will be for the account, on behalf and at the expense of OWNER. Subject to the last sentence of this Paragraph (k), OWNER shall hold AGENT harmless from all claims or demands of third parties in connection with AGENT'S management of the premises, including claims for whatsoever in or about the premises. AGENT shall immediately give OWNER notice of any such claims or demands. OWNER will reimburse AGENT for all costs and expenses, including attorney's fees, paid or incurred by AGENT in connection with the defense of any such claim or demand.

At OWNER'S option, and upon notice to AGENT, OWNER may appoint AGENT'S attorneys and generally assume the cost and direction of any such case. OWNER shall purchase and maintain complete OWNER'S Landlords and Tenants liability insurance for the premises, naming AGENT as additional insured. AGENT shall not be held liable to OWNER for any error or judgment, or for any mistake of law or fact, for anything it may do or refrain from doing, except in cases of gross negligence or willful misconduct.

l) **Power of Attorney.** OWNER hereby appoints AGENT his true and lawful attorney in fact, with full power of substitution, with authority to sign and acknowledge on OWNER'S behalf any lease of the premises and to take any action necessary to enforce compliance with such lease, including eviction of any tenant. This special power of attorney coupled with an interest, is irrevocable during the term of this Agreement, and shall survive the incapacity or death of OWNER.

m) **Damages.** OWNER understands that normal wear and tear and minor breakage of glasses and/or the disappearance of some towels over periods of time may occur. RE/MAX Kauai cannot be held responsible for these minor losses. OWNER agrees to have RE/MAX Kauai replace and upgrade as needed to satisfy tenants, but will not exceed the \$300.00 limit, without written permission of OWNER.

n) **Special Services.** Special services such as arranging redecorating or renovation services, outside the realm of normal management procedures, including procuring bids for OWNER'S consideration, will incur a \$25 per hour fee charged to OWNER'S account.

o) **Miscellaneous.** This is the entire Agreement between parties is governed by the laws of the State of Hawaii. This Agreement shall be binding upon the successors and Assigns of OWNER or AGENT.

Signed in duplicate this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (year).  
Receipt of a copy of this Agreement is acknowledged by each party.

\_\_\_\_\_  
Owner's Signature

\_\_\_\_\_  
Address

\_\_\_\_\_  
City, State, Zip Code

**Accepted by:**

\_\_\_\_\_  
Cyrila L. Pycha, RE/MAX Kauai Vacation Rental Agent

## OWNER DATA QUICK REFERENCE SHEET

Property Address:		
Telephone # in Unit		
Name		
Address		
Social Security #		
Federal ID #	(If Applicable)	
<b>Telephone contacts</b>		
Day	(       )	
Evening	(       )	
Cellular	(       )	
E-Mail Address		
<b>Other Information</b>		
Lock Box Code		
Cleaner's Name		
Cleaner's Phone		
Maximum Occupants		
Bedrooms and Baths	_____ Bedrooms	_____ Baths
Yard Care Provider		
Yard Care Provider Phone		

- **RE/MAX Kauai's vacation rental commission: 25% of BASE Rental Amount.**
- **Non-Refundable Vacation Rental Initial Set-up Fee: \$300.00.**
- **Owner's Vacation Rental Emergency Reserve in client trust account: \$300.00.**
- **Vacation Rentals Only:**  
Please make a check payable to: **RE/MAX Kauai** in the amount of: **\$600.00.**
- **Long Term Rentals Only:**  
Non-refundable Long Term Rentals Initial Set-up Fee: **\$150.00**
- **Owner's Working Balance Reserve in client trust account: \$300.00.**
- **Please make a check payable to **RE/MAX Kauai** in the amount of: \$450.00.**

**Allow smoking only out on deck/patio.** (For private single-family dwellings that are detached away from other family dwelling structures.)

**Absolutely NO smoking.** (Always applicable to multi-family dwellings, i.e. condos.)

Bed Assignments	How many?	Other Items:	How Many?
King Size		Gas Grill	
Queen Size		Boogie Boards	
Full Size		Beach Chairs	
Twin		Beach Mats	
Sofa Sleepers		Coolers	
Roll-away		Snorkel Gear	
Floor Futons		Surfboards	
Other Types		Bikes	
Misc:		Other Equipment	

Other Notes:

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Aloha Property Owner,

***E komo mai!*** (Welcome!) to the **RE/MAX Kauai** ohana (family). We look forward to working with you as your personal property managers. As in any family structure or business partnership, good communication is a key element for **lokahi** (unity, agreement, accord, unison, harmony; agreed). Cyrila and I will strive to give you the service and personal attention that you deserve. Please call our office with any concerns or questions, or to give us information or updates on your rental property.

We will initiate professional creation, hosting, and maintenance of an Internet web page, including all photography, scanning, and materials. This page will promote your home as a vacation rental on your behalf. **This is covered under the Set-up Fee of \$300.00.** This fee is non-refundable. To keep you powered, there is also a monthly web portal fee of \$25.00. Read page 6 of 10, section (f) for more details.

As stated in your management agreement with **RE/MAX Kauai**, owners are to carry adequate public liability insurance on all properties managed by **RE/MAX Kauai**. This insurance serves to protect the owners and agent from liability in the event of injury to tenants, housekeepers, maintenance workers, etc. **RE/MAX Kauai** must be named co-insured on all these policies. Naming us as a co-insured party should not incur any additional cost to you.

It is of the utmost importance that you contact your insurance carrier as soon as possible and ask them to forward to us written confirmation that **RE/MAX Kauai** is named as additional insured on your homeowner's insurance policy. It is equally important that you are reassured that your liability coverage is in force.

**Tax Obligations:** You are required to establish a Hawaii State General Excise Tax (G.E.T.) number, as well as a Transient Accommodations Tax (T.A.T.) number if your home is a vacation rental, and report these numbers to **RE/MAX Kauai**. Long term rentals (leases of six months or more) do not require payment of the T.A.T.

**County related obligation:** As per Kauai County Ordinance #864, you must provide us with your TVR Certificate number.

**RE/MAX Kauai** does not pay your taxes for you or tell you what amount to pay. The tax money collected is sent directly to you with your rental disbursement on a monthly basis. A statement is included with your rental disbursement, designating what amount is rent and what amount is tax collected. We strongly urge you to contact the Hawaii State Department of Taxation for information and instruction: **State Department of Taxation - Kauai District Office** P. O. Box 1687 Lihue, HI 96766 Phone (808) 274-3456

Should you have any concerns or questions, please call us at your earliest convenience.

Mahalo nui loa,

James G. Pycha, Principal Broker, Owner      Cyrila L. Pycha, Office Manager, Owner