



PROPERTY MANAGEMENT AGREEMENT

BETWEEN

AGENT: **KAMA'AINA REALTY LLC**
85-296 Ala Hema Street
Waianae, HI 96792
Bus: (808) 753-3083

AND

OWNER(s): _____ **EIN or SS#** _____
_____ **EIN or SS#** _____

MAILING ADDRESS: _____

DIRECT PHONE: _____

RESIDENCE PHONE: _____

Email: _____

SUBJECT PROPERTY: _____

TAX MAP KEY#: _____

THIS AGREEMENT is made this _____ **2015** by and between **KAMA'AINA REALTY LLC**, and _____ . The subject property for property management address is _____ , hereinafter referred to as the PROPERTY.

1. AGENCY - OWNER hereby appoints AGENT as its exclusive agent to rent and manage on the OWNER'S behalf, the property above as described. AGENT accepts this exclusive agency appointment, upon the terms and conditions set forth in this Agreement.

2. AUTHORITY - OWNER acknowledges that he or she has the authority to rent the PROPERTY, to appoint AGENT to rent and manage the PROPERTY, and to enter into this Agreement on behalf of all owners of title to the PROPERTY.

3. TERMS - This agreement shall commence on _____ **2015** and terminate open ended. This Agreement shall automatically be renewed for additional periods of twelve (12) months. This Agreement may be terminated by either party upon thirty (30) days written notice to the other party subject to the termination expenses provided in Paragraph 8 hereto. Termination of this Agreement does not cancel any existing Rental Agreements made by the AGENT for the OWNER, which said Rental Agreements may be subject to termination fees. Upon termination, AGENT shall deliver to OWNER all necessary documents pertaining to the operation of the PROPERTY and any Rental Agreements in effect, addendum thereto, and a closing statement of accounts.

4. DUTIES OF AGENT

a. RENTS AND COLLECTIONS - AGENT agrees to furnish the services of its organization for the rental operation and management of the PROPERTY. AGENT shall advertise the availability of the PROPERTY, investigate all references provided by prospective tenants, sign leases and renewals and modify, amend, or cancel leases. AGENT shall coordinate all rents and deposits for the PROPERTY to OWNERS online via ACH (Automatic Clearinghouse). AGENT may collect directly from the TENANT for AGENT'S benefit, any or all of the following; a late-rent administrative charge, a non-negotiable check charge, and credit report fee.

b. DEPOSIT FUNDS - AGENT shall deposit all funds collected for the OWNER in the AGENT'S ACH client trust account established at an American Savings Bank operated and maintained in the State of Hawaii.

c. SECURITY DEPOSIT - AGENT shall collect and hold security deposits in an interest bearing account and interest shall be for AGENT'S benefit and use to defray miscellaneous expenses associated with said PROPERTY account. Security deposits will be held on the tenant's behalf, to be used to replace or repair items damaged by tenant, applied toward cleaning of the premises chargeable to the tenant, to any other charges due by the tenant, refunded to the tenant or disbursed to the OWNER, at AGENT'S discretion.

d. DIGITAL MONTHLY STATEMENTS - AGENT shall send digital monthly statements of receipts and disbursements by the 10th day of the month following the month being reported to the OWNER(S) at the email address provided by OWNER.

e. DISTRIBUTION OF INCOME - To the extent there are funds available for distribution, AGENT shall deduct from the gross rental proceeds authorized payment, expenses and fees and remit the net proceeds, less any security deposits and credit balances by depositing into OWNERS BANK ACCOUNT, on or before the 10th day of the month of collection.

f. RESIDENTIAL LANDLORD-TENANT CODE - AGENT shall use its best efforts to comply with the provisions of Hawaii's Landlord-Tenant Code concerning the rights, obligations, and remedies of Landlords and Tenants. AGENT shall promptly notify OWNER of any complaints, warnings, or summons relating to such matters.

g. INSURANCE - OWNER agrees to provide liability insurance coverage for the PROPERTY with minimum limits of \$300,000 for bodily injury and \$25,000 for Property damages to others. KAMA'AINA REALTY, LLC shall be named as additional insured and shall be furnished with a copy of insurance policies or a certificate of insurance. OWNER also agrees to furnish AGENT with a copy of fire insurance policies or certificate of insurance for the PROPERTY. Information regarding insurance is listed on Schedule A.

h. LEGAL ACTIONS - AGENT shall first obtain by the OWNER, authority to institute and prosecute actions in the OWNER'S name and at the OWNER'S expense to evict tenants, recover possession of the PROPERTY, to sue tenants for rents and other sums due, and to settle compromise or dismiss such actions. Any such legal action shall be brought through the attorney designated by OWNER, or if none, through an attorney selected by the AGENT.

i. CLIENT VENDOR LIST - Shall any repairs to the property become necessary, TENANT shall contact a vendor in the applicable industry. The vendor shall furnish a quote to the AGENT and await approval from the OWNER to proceed. Upon OWNER approval and completion of work, OWNER is to furnish payment to Vendor in a method determined by both parties.

j. TENANT – TENANT shall contact agent for approval for a non-emergency repairs for acceptance by property owner. Repairs shall require at least two (2) competitive bids. All approved and accepted bids must be supplemented with a contract outlining the scope of work to be performed and a firm price upon completion.

k. FUNDS TO COVER AUTHORIZED EXPENSE- AGENT shall not be obligated to make any advance payment or incur any liability for Owners account. AGENT shall not be liable for loss sustained by OWNER by reason of non-payment or late payment of any expense due to insufficient funds in Owners account. In the event disbursements and charges are in excess of the rent or receipts collected by the AGENT, OWNER agrees to pay such deficiency within ten days of receipt of billing. If funds are insufficient to cover authorized expense, agent will call owner to cover expenses or send bills directly to owner.

l. ADDITIONAL SERVICES - Any additional services which OWNER may request shall be performed upon mutual agreement by the parties with additional compensation to AGENT. Additional services include supervision of remodeling, fire restoration, shopping or other items not directly related to the rental operation of the PROPERTY.

5. AGENTS FEES AND EXPENSES

a. AGENT'S FEES - Owner agrees to pay agent 15% of the FIRST FULL month's gross rental income. Then Owner agrees to pay a 6% fee of the monthly gross rental income for the remainder of this agreement.

b. AUTHORIZED EXPENDITURES - Rental advertising, credit checks, and tenant verification;

c. CLEANING - including minor repairs, window washing, carpet cleaning, pest control, and other customary services AGENT may consider necessary to maintain high standards;

d. REPAIR AND REPLACEMENT - AGENT may consider necessary or advisable. AGENT agrees to seek prior approval of OWNER on all expenditures in excess of \$150.00 for any one item except protect the PROPERTY or to provide services to the tenant as provided in their lease;

6. DUTIES OF POWER INVENTORY LIST.

a. OWNER - shall provide AGENT with a complete inventory of furnishings or other items on the PROPERTY. The list shall be updated as necessary.

b. KEYS, HOUSE RULES - OWNER shall furnish AGENT with three complete sets of keys to the PROPERTY, two sets to be issued to tenant and one set to be retained by the AGENT; one copy of House Rules (if applicable) and copies of all service contracts or warranties in effect for PROPERTY, including equipment or fixtures.

c. MINIMUM - BALANCE IN OWNER'S TRUST ACCOUNT. OWNER shall maintain a minimum balance of \$250.00 with AGENT. AGENT may apply such funds for expense incurred on OWNER'S behalf or for AGENT'S fees. If the balance in OWNER'S account falls below this sum, OWNER shall restore this balance within ten days of AGENT'S request for such additional funds.

d. HOLD HARMLESS - All obligations or expenses incurred will be for each account, on behalf and at the expense of the OWNER. OWNER shall indemnify, save and hold AGENT harmless from all claims of third parties in connection with AGENT'S management of the PROPERTY, including but not limited to claims for personal injury or property damage from any cause whatsoever in or about the PROPERTY, or loss of or damage to any furnishing, fixtures or other articles therein. OWNER will reimburse AGENT for costs and expenses, including attorneys' fees paid or incurred by AGENT in connection with the defense of any such claim or demand. AGENT shall not be liable to OWNER for any error of judgment for any mistake of law or fact, or for anything it any do or refrain from doing, except in cases of willful misconduct or gross negligence.

7. POWER OF ATTORNEY - OWNER hereby appoint 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 PROPERTY, to take any action necessary to enforce compliance with such lease, including eviction of any tenant, and to engage services related to the PROPERTY. This special power of attorney is irrevocable during the term of this Agreement and shall survive the incapacity or death of OWNER.

8. TERMINATION FEE - In consideration of AGENT'S efforts, OWNER agrees to pay AGENT a termination fee of the management fees due for the balance of the term of any rental or occupancy agreements in effect at the time of cancellation. The fee will be paid monthly as the rent is received until the rental agreement expires.

9. SALE OF PROPERTY - It is required for OWNER to list the PROPERTY for sale with AGENT. If, during the term of this Agreement, the PROPERTY is offered for sale by OWNER, OWNER agrees to (a) give AGENT prior notice; (b) not contact tenants directly or infringe upon their right of quiet enjoyment; (c) require AGENT to show the PROPERTY for purposes of sale; and (d) make arrangement through AGENT for showing of the PROPERTY in such a manner that rental agreements with tenant are not jeopardized or made liable for cancellation for good cause. Sale of PROPERTY shall be subject to any applicable termination fee. (See #8 for Termination fee)

10. OTHER - Owner may enter premises to clean, repair, maintain property to help keep expenses low, and to help determine if renovation is needed with AGENT's acknowledgment. Provided Tenants are given 2 day's Notice of Intent to enter.

11. MISCELLANEOUS - This is the entire Agreement between the parties and shall be governed by the laws of the State of Hawaii and the United States of America. This Agreement shall be binding upon the heirs, successors, and assignees of the OWNER and AGENT.

RECEIPT OF A COPY OF THIS AGREEMENT IS ACKNOWLEDGED BY EACH PARTY:

Print Name of Owner

Print Name of Owner

Owner Signature

Owner Signature

Date

Date

SCHEDULE A

GENERAL INFORMATION

OWNER(S): _____

PROPERTY DESCRIPTION: _____

PROPERTY ADDRESS: _____

DESIRED MONTHLY RENTAL RANGE: \$ _____ - \$ _____

PETS ALLOWED - No: ___ Yes: ___ Other: ___

OWNER to provide AGENT with a copy of the House Rules if PROPERTY in a Condominium or Co-op.

OWNER to provide AGENT with a written inventory of all items belonging to the PROPERTY.

INSURANCE COVERAGE

CARRIER: _____

AGENT'S NAME: _____

PHONE: _____

POLICY NUMBER: _____

LOCAL PERSON TO NOTIFY IN CASE OF EMERGENCY

NAME: _____

RELATIONSHIP: _____

PHONE: _____

MAILING ADDRESS: _____

ESTIMATED DATE OF RE-OCCUPANCY BY OWNER: _____