

HAWAIIAN PROPERTIES, LTD.

P.O. Box 38078, HONOLULU, HAWAII 96837-1078
TELEPHONE: (808) 539-9777 FAX: (808) 521-2714

RESIDENTIAL PROPERTY MANAGEMENT AGREEMENT

NEW ACCT # / YARDI CODE: _____

OWNER INFORMATION

Name(s): _____

Mailing Address: _____

GET Number: _____

Owner has no GET. Owner authorizes HPL to apply (\$50.00 fee) \$25 filing fee assessed for EACH required GET filing, reconciliation for prior license optional for \$50)

CONTACT INFORMATION

Phone: _____

Email: _____

SOCIAL SECURITY # / FEIN: _____

Filing Frequency: Semi Quarterly Monthly
Financials: Email or Mail

DISBURSEMENT OF NET RENTAL PROCEEDS: Owner's net rental proceeds shall be disbursed as follows:

- Mail to OWNER at the following address: _____
- DEPOSIT TO OWNER'S BANK ACCOUNT (See Authorization Agreement for Automatic Deposits)
The Owner must provide a voided check or bank statement copy for confirmation of acct number.

BANK: _____ ACCT #: _____ ROUTING #: _____

ACCT HOLDER: _____ ADDRESS: _____

*Owner agrees to have 1099 delivered electronically on all rental proceeds received.

- OWNER STATUS: U.S. CITIZEN U.S. CORPORATION PERMANENT RESIDENT ALIEN
 FOREIGN ENTITY (IRS FORM W-8ECI REQUIRED TO BE EXEMPT FROM 30% WITHHOLDING TAX)
 OTHER (CONDO. ASSOC., NON-PROFIT, ETC.)

PROPERTY INFORMATION

Address: _____

PARTLY FURNISHED FURNISHED (Furniture inventory attached) UNFURNISHED

Bedrooms: _____ Bathrooms: _____ Parking/Stall #(s) _____ TMK#: _____

Minimum Desired Monthly Rent: \$ _____ Recommended Monthly Rent: \$ _____

UTILITIES TRANSFERRED TO HP: Elec. Water/Sewer Gas Cable Wi-Fi Yard Svc.

TENANT CHARGEBACK(S): Elec. Water/Sewer Gas Cable Wi-Fi Yard Svc.

TERMS OF AGREEMENT:

1. The term of this Agreement shall be a period of **ONE YEAR**, commencing on _____ ending _____ and continuing thereafter on a month-to-month status.
 - 1a. CANCELLATION: Either party may terminate this Agreement upon sixty (60) days advance written notification AFTER the expiration of the original term.
 - 1b. CANCELLATION FEE of \$500 shall be paid to the Agent if Owner cancels this Agreement prior to the expiration of the original term.
2. **HOUSE RULES:** OWNER shall provide AGENT with a complete set of HOUSE RULES. In the event AGENT is required to obtain additional HOUSE RULES, OWNER agrees to pay for the additional cost.
AOAO HOUSE RULES: YES NO
3. **KEYS:** OWNERS shall furnish AGENT with (4) four complete sets of keys to the PROPERTY, two sets to be issued to the tenant, one set to be retained by the AGENT and one set to be used for vendors. In the event AGENT is required to obtain additional keys, OWNER agrees to pay for the same. OWNER agrees to pay for changing keys and locks for subsequent re-rental of the property as AGENT deems it necessary for security of the PROPERTY.
KEYS RECEIVED: YES NO Security Key / Fob Deadbolt (DB) Mailbox (MB) Front Door (FD)
 Garage Remote / Transmitter
4. **FEES TO AGENT:** Owner shall pay to Agent as compensation hereunder:
 - 2a. **MONTHLY MANAGEMENT FEE of 10%** of the monthly gross rental income received.
 - 2b. **SPECIAL PROJECT FEE:** 10% of the accepted contract price for coordinating, obtaining bids and inspection of any repair, renovation, or modernization of the property; that is authorized by Owner and having a contract price more than \$7,500.00. The Special Project Fee will apply if Owner requests and authorizes Agent to oversee the repair/renovation of the property.
5. **AGENCY:** In consideration of AGENT'S management of the above-described real PROPERTY and of the covenants herein contained, OWNER hereby grants to AGENT the sole, exclusive, and irrevocable right to rent, lease, operate and manage the PROPERTY during the management term. OWNER represents and agrees that no other person(s) is authorized to manage the PROPERTY during the term of this Agreement. OWNER understands that no matter who rents, leases, operates, or manages the PROPERTY during the management term (including OWNER), AGENT is entitled to a fee as provided in this management agreement. The AGENT has the right to advertise the PROPERTY and OWNER will give AGENT all information, documents, and keys he requires and will notify AGENT in writing of all material changes which affect the management of the PROPERTY.

OWNER(S) INITIAL(S) _____ Date: _____ AGENT INITIAL _____ Date: _____

6. RENTAL OWNER understands the PROPERTY will be shown to interested parties and hereby agrees to refer to all inquiries regarding the PROPERTY to AGENT. OWNER understands that the PROPERTY will be rented or leased without regard to age, ancestry, race, color, sex, religion, disability, parental (familial) status, marital status, sexual orientation, gender identity or expression, Human Immunodeficiency Virus (HIV) infection or need for a guide or signal dog of the prospective tenant. OWNER understands that all agreements entered upon by AGENT on behalf of OWNER shall be binding upon OWNER, notwithstanding termination of this agreement.
7. **FURNISHINGS** (IF APPLICABLE): The PROPERTY includes the furnishings listed on the inventory attached and is subject to AGENT'S verification and acceptance thereof. OWNER shall notify the AGENT of any changes in inventory prior to rental of PROPERTY. AGENT will attempt to obtain maximum market rent available in the current rental market according to the lease terms specified herein.
8. **GENERAL EXCISE TAX NOTICE TO OWNERS**: Hawaii General Excise Tax must be paid on the gross rents collected by any persons renting out a Real Property in the State of Hawaii. Hawaiian Properties, Ltd. shall file Form 1099- MISC. stating the amount of rent collected, shall be filed with the Internal Revenue Service and the State of Hawaii Department of Taxation. Owners are required to complete and sign Form W-9 "Request for Taxpayer Identification and Certification".
9. **POWER OF ATTORNEY**: OWNER hereby makes, constitutes, and appoints AGENT with full power of substitution, his true and lawful attorney-in-fact:
 - (1) To sign and acknowledge any lease of the PROPERTY pursuant to the terms hereof; and
 - (2) To take any action, including the eviction of any tenant, necessary to enforce compliance with such lease. 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.
10. **MINIMUM MONTHLY BALANCE IN OWNER'S ACCOUNT**: OWNER agrees to deposit with AGENT, at the commencement of this agreement, the sum of **\$500.00** which AGENT may apply for expenses incurred on account of OWNER, or upon AGENT'S request, OWNER shall within ten (10) days thereafter deposit with AGENT sufficient funds to increase the minimum balance in OWNER'S account to that minimum sum of **\$500.00**.
11. **BUILDING PLANS / INVENTORY LISTS**: If available and applicable, OWNER shall provide AGENT with building plans to allow AGENT to inform itself with respect to the layout of the plumbing and lighting, and other mechanical systems if applicable. OWNER shall update from time to time a complete and up-to-date inventory of furnishings and fixtures in the PROPERTY.
12. **HOLD HARMLESS**: OWNER shall save and hold AGENT harmless of any damages to the UNIT or from loss or damage to any furniture, fixtures, and other articles therein and from all injuries to any person or persons whomsoever, from any cause whatsoever in or about said unit. OWNER also agrees to hold AGENT harmless for any amounts of uncollected rent, late fees, violation charges, damages, and other charges. AGENT shall not be liable or responsible for any liability associated with the condition of the PROPERTY or for any actions or inactions by OWNER. AGENT shall not be liable for any error or judgment or for any mistake of law, or for any which AGENT may do or refrain from doing except in cases of willful miscount or gross negligence. In any event, the AGENT is not required to institute any legal proceedings on behalf of OWNER for any purpose, including but not limited to, the filing or prosecution of any tax appeals with respect to PROPERTY. In the event an attorney or collection agent is hired, OWNER agrees to assume the full cost(s) incurred.
13. **PAYMENT OF FEES/EXPENDITURES/ADVANCEMENT OF MONEY**: Any payments made by AGENT hereunder shall be made from such funds as are available in the account of the OWNER. AGENT shall not be obligated to make any advance or incur any liability for the account of the OWNER and AGENT shall not be liable for any loss sustained by the OWNER by reason of non-payment or late payment of any expense. If, at any time the funds in the possession of AGENT are not sufficient to pay charges incident to this agreement, AGENT may, at his discretion, pay himself from rental proceeds of the PROPERTY or out of other funds held by AGENT in OWNER'S account or AGENT may advance such sums that it deems necessary, and the OWNER agrees in such cases that, upon notification from AGENT, the OWNER shall pay the AGENT the sums necessary to cover such advances together with interest at the rate of twelve per cent (12%) per annum from the date of such advance. This Agreement shall not be cancelled by OWNER at any time while the Owner is in debt to the AGENT.
14. **NOTIFICATION TO REAL PROPERTY TAX DIVISION**. OWNER is responsible for notifying the City & County of Honolulu Real Property Tax Division of changes in status from Owner-Occupant to Non-Occupant status. The Owner is advised that this change may result in disqualification from the homeowner's tax exemption.
15. **TAX CONSEQUENCES**. OWNER acknowledges that they have NOT relied upon any statements made by HAWAIIAN PROPERTIES, LTD. or by its agent regarding the effect of this PROPERTY upon the tax liability of the OWNER. OWNER is hereby advised to seek competent tax counsel.
16. **ACCOUNTING**: AGENT shall provide OWNER with a monthly Statement on or about the 20th day of every month detailing receipts, disbursements, transactions that occurred during the month, tenant accounts receivables report, and a delinquency report, and shall be transmitted via email or standard mailing.

OWNER(S) INITIAL(S) _____ Date: _____ AGENT INITIAL _____ Date: _____

- 17. DEPOSIT OF OWNER'S FUNDS:** AGENT shall deposit all funds collected hereunder in a client trust lock box account at Bank of Hawaii, whose deposit is insured by the FDIC (Federal Deposit Insurance Corporation), and such funds shall be held in trust in a special trust or custodial account and will not be co-mingled with any other funds; the AGENT shall not be responsible for any loss resulting from the insolvency of such depository.
- 18. DISTRIBUTION OF INCOME TO OWNER:** AGENT shall deduct from the gross rental income received AGENT'S fees and reimbursements for authorized expenditures. To the extent there are amounts available for distribution, AGENT shall distribute the amount greater than \$50.00 to OWNER before or on the 20th of the month, or as OWNER may have directed AGENT.
- 19. FOREIGN NON-RESIDENT ALIENS.** All foreign nonresident Owners are responsible for reporting Foreign Land Disclosure Law to be completed annually prior to April 30. Owner agrees not to hold Agent responsible for such reporting. For clarification, OWNER is advised to contact the City and County of Honolulu Department of Finance.
- 20. MINIMUM LEASE PERIOD:** Initial lease period of **One (1) year**, unless otherwise agreed to in writing by Agent and Owner. Lease periods are subject to provisions of Association of Apartment Owners By-Laws and House Rules, City, State and Federal ordinances.
- 21. AGENT'S PAYMENT OF FUNDS:** AGENT shall collect and retain security deposits on tenant's behalf, which deposits will be utilized by AGENT to replace or repair items damaged by tenant, applied towards cleaning of PROPERTY, disbursed to OWNER, or refunded to tenant as AGENT may reasonably determine. Any interest accrued on the security deposit shall be paid to AGENT.
- 22. RENTALS AND COLLECTIONS:** During the term hereof, AGENT shall use his best efforts to obtain renters for the PROPERTY, and to collect all rents and deposits for the PROPERTY. AGENT may accept payments in money order, cashier's check, personal check, or Auto Clearing House payments/Surepay.
- 23. ASSISTANCE ANIMAL:** In the event Tenant provides professional certification that Tenant is required to have an assistance or comfort animal, Owner agrees that such assistance animal shall be allowed at the Property provided an Assistance Animal Addendum is duly executed. Hawaiian Properties, Ltd. does not allow pets in its rental properties.
- 24. MAINTENANCE:** AGENT shall cause the building, apartments, appurtenances, and grounds of the PROPERTY to be maintained according to the standards acceptable to OWNER, including but not limited to apartment, common area, and parking cleaning, painting, and decorating, plumbing, carpentry, and such other normal maintenance and repair work as may be necessary, subject to any limitations imposed by OWNER. Making replacements and repairs, if the AGENT deems it necessary or advisable, provided that any single expenditure in excess of FIVE HUNDRED AND NO/100 (\$500.00) shall not be incurred without OWNER'S prior authorization, EXCEPT FOR EMERGENCIES.
- 24a. OWNER'S PREFERENCE FOR MAINTENANCE SERVICES:**
- AGENT is authorized to hire repair/maintenance vendors on OWNER'S behalf at AGENT'S discretion.
 - OWNER has no preference and authorizes AGENT to utilize vendors AGENT is familiar with and used on a regular basis.
 - Owner has a home warranty policy under _____ . POLICY #: _____
- 25. CONTRACTS:** AGENT shall, subject to approval by OWNER, make contracts for water, electricity, gas, telephone, pest control, common area janitorial and maintenance, including plumbing and electrical, and other services deemed advisable by OWNER that may be required to maintain the PROPERTY.
- 26. AUTHORIZED EXPENDITURES:** AGENT is hereby authorized to pay FROM OWNER'S NET RENTAL PROCEEDS all monthly bills and other expenses in connection with the management of the PROPERTY including, without limitation, the following authorized items: (*OWNER will set up a one-month reserve fund to cover all authorized payments.*)
- YES NO GET – \$25 filing fee shall be assessed to Owner for each required GET filing completed.
 - YES NO RPT PM COMPLETED- Updated billing address
 - YES NO Maintenance Fee Total: \$ _____ Copy of latest statement provided
 - AOAO Acct #: _____ AOAO Managing Agent: _____

 - YES NO Insurance Premiums [as invoiced]: _____
 PM COMPLETED- Updated billing address

 - YES NO Electric: PM COMPLETED- Started new svc under HP & owner allocation/continuous svc.
 - YES NO Water / Sewer: PM COMPLETED- Started new svc. & updated billing address

 - YES NO Yard: Vendor: _____ Vendor Contact info: _____
 PM COMPLETED- Started new svc. & updated billing address

 - YES NO Pool: Vendor: _____ Vendor Contact info: _____
 PM COMPLETED- Started new svc. & updated billing address

 - YES NO Gas: PM COMPLETED- Started new svc. & updated billing address
- 26a.** Cleaning of PROPERTY between tenancies, including, if AGENT deems necessary, making minor repairs, re-keying entry locks, window washing, carpet cleaning, extermination, and other customary services to maintain high standards, where not charged to tenant security deposit.

OWNER(S) INITIAL(S) _____ Date: _____ AGENT INITIAL _____ Date: _____

27. INSURANCE: OWNER shall purchase and maintain complete OWNERS, LANDLORDS, & TENANTS LIABILITY INSURANCE POLICY IN AN AMOUNT of \$500,000.00 or greater and such fire and extended coverage insurance policies on the PROPERTY, or certificates thereof, from an insurance company authorized to do business in the State of Hawaii. (Note: Owner’s Insurance agent should be consulted to determine this coverage. Such policies shall be so written as to protect the AGENT in the same manner and to the same extent error or judgement or for any mistake of fact of law, or for anything which it may do or refrain from doing, except in cases of willful misconduct or gross negligence. The liability policy shall name HAWAIIAN PROPERTIES, LTD. AS ADDITIONAL INSURED. A copy of the endorsement shall be forwarded to AGENT. In the event duplicate policies or certificates of insurance naming HAWAIIAN PROPERTIES, LTD., as additional insured are not provided on or before the date of this Agreement, AGENT is hereby authorized to obtain required insurance at OWNER'S expense.

Liability Insurance: _____ Policy #: _____
Dwelling Fire Policy: _____ Policy #: _____
Insurance Agent: _____ Contact #: _____

Note: Owners to provide Agent with updated “Certificate of Insurance” annually.

28. SPECIALTERMS: _____

This Agreement contains the entire Agreement between the parties and may be modified only in writing and signed by 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 the Agreement are in conflict therewith, such provisions shall be severable, and the remainder of this Agreement shall remain fully effective.

Signed this ____ day of _____, _____. Receipt of a copy of this Agreement is hereby acknowledged by each party.

We acknowledge and agree to the foregoing:

OWNER

AGENT for HAWAIIAN PROPERTIES, LTD.

Owner’s Signature

Agent’s Signature

Owner’s Signature

Date: _____

Date: _____