

PROPERTY MANAGEMENT AGREEMENT

BETWEEN

AGENT: _____

AND

OWNER: _____

SS# _____ - _____ - _____

OWNER: _____

SS# _____ - _____ - _____

MAILING ADDRESS: _____

PHONE: BUS: _____

RES: _____

FAX: _____

E-mail: _____

Cellular: _____

PROPERTY LOCATED AT: _____

TAX MAP KEY # _____

GENERAL EXCISE TAX LICENSE #: _____

"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 SERVICE FORM 1099 STATING THE AMOUNT OF RENTS COLLECTED, SHALL BE FILED WITH THE HAWAII DEPARTMENT OF TAXATION." (Hawaii revised statutes, Section 237)

PARTIES Owner, _____
And Agent, _____, mutually agree as follows:

1. **AGENCY** Owner exclusively appoints Agent to manage on Owner's behalf the property (the "Premises") known as _____ the Agent accepts this exclusive agency appointment, upon the terms and conditions set forth in this Agreement.

2. **RENTAL INFORMATION**

Desired Monthly Rental Range \$ _____

Minimum Desired Lease Period _____ months Maximum

Desired Lease Period _____ months

Pets allowed NO _____

Other _____

(Note: LEASE periods, number of occupants, occupancy by children and acceptance of pets are subject to provisions of any applicable Owner's Association By-Laws and House Rules, City Ordinances, and State and Federal Laws.)

3. **TERMS** This Agreement shall be for an initial period of _____ months beginning on the _____ day of _____, 20 ____, and thereafter for annual periods. This Agreement may be canceled by either party upon sixty (60) days' written notice to the other party. Termination of this Agreement does not invalidate any existing rental agreements made by Agent on Owner's behalf. It is expressly understood that should Agency Agreement be terminated by Owner, Agent will be due upon effective termination date, his/her normal fee for the duration of the tenant's stay should said tenant have been placed in the property by Agent and should tenant's lease continue beyond term of Agency Agreement.

4. **DUTIES OF AGENT**

(a) **Rentals and Collections:** Agent shall use its best efforts to obtain renters for Owner's premises. Agent shall investigate carefully all references provided by prospective tenants. Agent will use the services of Rent Check. There will be a nominal fee charged to owner annually for this service. Agent shall collect all rents and deposits for the premises. Agent may accept payments in cash, money order or personal checks, but shall not be liable to Owner for ultimate collection of such personal checks.

(b) **Monthly Statements:** Agent shall provide:

(1) Within _____ (__) days after the start of each month, a statement of cash receipt and disbursement for the unit for the preceding 30 day period and the calendar year to date: and

(2) By January 31st of each year all information with respect to rental of the unit necessary for the preparation of owner's income tax returns.

(c) **Distribution of income to Owner:** Agent shall deduct from 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 to Owner, or as Owner may direct. In the event disbursements shall be in excess of the rents collected by Agent, Owner shall pay such deficit promptly upon request by Agent.

- (d) Deposit of Owners Funds: Agent shall deposit all funds collected by the Agent in a Federally Insured bank in Hawaii, designated by the Agent. 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.
- (e) Agents Payment of Funds: 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 in OWNER'S account. Agent will act in compliance with the State of Hawaii Landlord Tenant Code in the event of an Emergency or what Agent may deem as an Emergency. Owner will be responsible for costs incurred.
- (f) Security Deposit: Agent shall collect and hold security deposits on tenants behalf, to be used to replace or repair items damaged by tenant, applied toward cleaning of the premises chargeable to tenant, refunded to tenant or disbursed to Owner, as Agent may reasonably determine, in accordance with the Landlord-Tenant Code. Interest income, if any, from these funds will accrue to Agent.
- (g) Residential Landlord-Tenant Code: Agent shall use its best effort to comply with the provisions of Hawaii's Residential Landlord-Tenant Code concerning the rights, obligations and remedies of landlords and tenants. Agent shall promptly notify Owner of any complaints, warnings or summonses relating to such matters.
- (h) Insufficient Funds: Agent shall not be obligated to make any advance or incur any liability for Owner's account. Agent shall not be liable for loss sustained by Owner by reason of nonpayment or late payment of any expenses.
- (i) Legal Action: Owner authorizes Agent to send tenant demand letters and to provide to tenants other notices concerning: 1) the payment of rent and other charges due 2) any other defaults by the tenant. Agent shall be responsible for pursuing any legal proceedings 3) to evict tenant or 4) to collect delinquencies owed to Owner; provided, however, Agent shall notify owner of such action at least five (5) days prior to commencing the action. Owner shall assist and cooperate with Agent in such legal proceedings. Owner shall pay for all reasonable attorneys fees incurred for commencing, completing or settling an action. Agent shall keep Owner informed of the status of any action.
- (j) Service Contracts: Agent shall arrange for all utility services necessary for the proper operation and protection of the property and any such other services as Agent shall deem advisable.
- (k) Additional Services: Any additional services not listed herein which Owner may request Agent to perform shall be by mutual agreement with appropriate additional compensation.

5. AGENT'S FEES AND EXPENSES

- (a) Agents Fees: OWNER shall pay to AGENT as compensation hereunder:
 - (1) A Monthly Fee of _____% (Select plan "A" or "B" on Schedule A of this agreement) of the monthly gross income received. Plus any charges under plan "B" if elected. Plus \$_____ per month for Postage and copies.

IN ADDITION TO

- (2) An Initial Tenant Fee for renting the Premises of _____% of the first full month's gross rental received for each tenancy.
 - (3) If tenant eviction takes place _____ reserves the right to continue to be compensated the monthly management fee, regardless if rent is paid or not. Property is still being managed.
 - (4) Any and all Late Fees, Return Check Charge (NSF) or any other type of Administrative Charges/tenant fees shall be retained by the Agent in addition to it's Management Fee.
 - (5) Any rental agreements that are re-negotiated by _____ to retain a current tenant will have a re-negotiation fee of _____% of a full months gross rent received for each tenancy. This fee is in addition to the normal monthly fee selected by owner.
- (b) Authorized Expenditures: Owner authorizes Agent to pay at Owner's expense:
- (1) Rental Advertising;
 - (2) Cleaning Premises, including minor repairs, window washing, rug shampooing, extermination and other customary services Agent may consider necessary to maintain high standards where not charged to tenant security deposit;
 - (3) Repairs and replacements, as Agent may consider necessary or advisable. (Agent agrees to seek prior approval of Owner for all expenditures in excess of \$250.00 for any one item, except monthly or recurring operating charges and/or emergency repairs deemed necessary by Agent);
 - (4) Any expenses listed in Schedule "A" attached to this Agreement.

6. DUTIES OF OWNER

- (a) Inventory List: Owner shall provide to Agent, and update as necessary, a complete inventory of furniture, equipment and fixtures in the Premises. Owner understands that inventory may change from time to time due to breakage or normal wear and tear. Agent shall not be deemed responsible for the condition of the Premises or the furniture, equipment, and fixtures therein. Owner shall be informed of substantial changes in inventory. An hourly fee of \$_____ will be charged if Agent takes the initial inventory.
- (b) Keys, House Rules: Owner shall furnish Agent with four complete sets of keys to the premises, two sets to be issued to tenant and two sets to be retained by Agent; two copies of house rules; and one copy of all service contracts in effect on the premises.
- (c) Minimum Balance in Owner's Trust Account: Owner has deposited with Agent, and Agent acknowledges receipt of, the sum of (Condo \$250.00 / House \$500.00), which Agent may apply for expenses incurred on Owner's behalf or for Agent's fees. If the balance in Owner's trust account falls below this sum, Owner shall restore this balance by depositing additional funds within ten days of Agent's request for such additional funds. Interest income, if any, from these funds will accrue to Agent .

- (d) Unit Appearance and Condition: Owner shall insure that the unit is maintained in such a condition that normal rental income may be expected from the unit. Agent will notify Owner when the unit falls below normal standards and suggest recommended improvements: i.e., new carpets, drapes, painting, etc. Agent may furnish Owner with estimated costs of improvements and suggested contractors but will not be responsible for contracting for said improvements. If Owner does not accomplish improvements, agent may terminate this agreement with _____ (__) days written notice. Owner agrees that if _____ is asked to supervise remodeling or extensive repairs (\$500.00 or more) for the Owner, _____ will be reimbursed with an over-ride equal to ___% of the total cost involved in such remodeling or repair.
- (e) Hold Harmless: All obligations or expenses incurred hereunder will be for the account, on behalf, and at the expense of Owner. Owner shall save and hold Agent harmless from all claims of third parties in connection with Agent's management of the premises, including claims for personal injury or property damage from any cause whatsoever in or about the premises. Owner will reimburse Agent for all 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 or for any mistake of law or fact, or for anything it may do or refrain from doing, except in cases of willful misconduct or gross negligence. Agent is authorized to place required insurance at Owner's expense where duplicate policies or certificates of insurance names Agent as additional insured are not provided within 10 working days from date of this agreement.
- (f) Insurance: Owner will procure and maintain in full force and effect, at its sole cost and expense, from and after the date of delivery of the Premises and at all times during the term of this agreement, including any extension or holding over thereof, the following type of insurance, in the minimum amounts specified and in the form hereinafter provided for:
- (g) Liability and Property Damage: Bodily injury liability and property damage insurance in a single limit of not less than One Million Dollars (\$1,000,000.00). All of such insurance shall be primary and noncontributing with any insurance that may be carried by the agent and shall be written by a responsible insurance company acceptable to agent. The adequacy of the coverage afforded by said liability and property damage insurance shall be subject to review by agent from time to time. Owner will also name the Agent as an additional insured.

7. **APPOINTMENT AND AUTHORITY OF AGENT** Owner hereby appoints and retains Agent as the exclusive agent and representative of Owner for the purpose of operating, maintaining, and managing the Property. Owner hereby agrees to execute any and all documents reasonably necessary to confer such power to Agent. Agent hereby accepts such appointment on the terms and conditions set forth. It is expressly understood and agreed that this Agreement shall cause Agent to be, at law, an agent of Owner.

8. **MISCELLANEOUS** This is the entire Agreement between the parties and shall be governed by the laws of the State of Hawaii. This Agreement shall be binding upon The successors and assigns of Owner and Agent.

SIGNED IN DUPLICATE this _____ day of _____ 20 _____.
Receipt of a copy of this Agreement is acknowledged by each party.

Owner (print)

Agent

Signature

Principal Broker

Social Security Number

Address

Address

City State Zip

City State Zip

Federal Identification Number

Business Phone Home Phone

Phone Fax

E – Mail

E-Mail

Cellular: Best number to call

Owner (print)

Signature

Social Security Number

Address

City State Zip

Business Phone Home Phone

E – Mail

SCHEDULE A

RENTAL MANAGEMENT INFORMATION SHEET

1. **DISPOSITON OF INCOME**

The Agent is hereby authorized to pay all monthly bills and other expenses in connection with the management of the premises, including without limitation, the following at owners expense.

Each plan designates the services provided for that monthly fee.

Select plan " A " or " B " by checking the appropriate section.

() **Plan A : (__% Monthly Fee) Plus a \$____ a month flat fee for postage and copies.**

Water & Sewer:	_____	Yard Service:	_____
Refuse Collection:	_____	Pool Service:	_____
Electricity:	_____	Gas:	_____

() **Plan B : (__% Monthly Fee) Plus a \$____ a month flat fee.** Any of the items in plan A, plus the following, as indicated below: Select the following items you would like us to pay on your behalf.

Real Property Tax _____

Maintenance Fee _____

Mortgage Payments _____

Lease Rent _____

Bank Deposit _____

Institution: _____

Account # _____

Account Name: _____

General Excise Tax (\$ 10.00 / mo) _____

30% withholding (\$12.00 / mo)
(FIRPTA) _____

Other (\$ _____ / mo) _____

Please note: Owner is responsible for supplying all necessary information to the Agent in order for payments to be made on a timely basis.

2. FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT (FIRPTA)

Pursuant to the internal revenue code section 1441, the deduction of a withholding tax on all fixed of determinable gross income shall be required of any non-resident alien individual, fiduciary, foreign partnership or foreign corporation unless exempt under provisions provided under said IRC sanction.

If Owner is a non-resident alien, individual, fiduciary, foreign partnership or foreign corporation, _____ requires a written statement from either a Certified Public Accountant or a U.S. Tax Attorney certifying that Owner is exempt from withholdings.

Owner is is not a non-resident alien individual, fiduciary, foreign partnership, or foreign corporation.

3. PROPERTY DESCRIPTION

(a) Single Family Home : _____ Townhouse _____
 Condominium Apt. _____ Co-Op _____
 (Owner to provide 2 copies of House Rules)
 Condominium Name: _____

(b) Square Footage: (Approx)
 Interior: _____ Exterior: _____

(c) ROOMS: _____ APPLIANCES: _____
 Living Room _____ Range / Oven _____
 Dining Room / Area _____ Disposal _____
 No. Bedrooms _____ Dishwasher _____
 No. Bathrooms _____ Refrigerator _____
 Kitchen _____ Washer _____
 Den / Rec Room _____ Dryer _____
 Lanai _____ Trash Compactor _____
 Air Conditioner _____ Microwave _____

(d) AMENITIES:
 Pool _____ Jacuzzi _____
 Sauna _____ Park _____
 View _____ Beach _____
 Tennis Court _____ Bar-B-Q Area _____
 Weight Room _____ Shopping _____
 Guest Parking _____ Other _____

(e) FURNISHED: _____ Partly Furnished _____
 (Attach Inventory) (Appliances, Carpets, Drapes)

(f) Parking : No _____ Yes _____ How Many: _____
 Covered: No _____ Yes _____ Stall No(s): _____
 Un-Covered: No _____ Yes _____ Stall No(s): _____
 Storage : No _____ Yes _____ Storage No: _____

(g) OWNER to Pay for the Following Services:
 Electricity _____ Gas _____ Yard Service _____
 Water _____ Sewer _____ Refuses _____
 Pool _____ TV Cable _____ Telephone _____
 Other _____

(h) TENANT to Pay for the Following Services:

Electricity	_____	Gas	_____	Yard Service	_____
Water	_____	Sewer	_____	Refuses	_____
Pool	_____	TV Cable	_____	Telephone	_____
Other	_____				

4. **INSURANCE COVERAGE**

(a) Owner has liability coverage insurance with:

Carrier / Agent

Location / Phone

Policy Number: _____

(b) Owner has fire insurance coverage with:

Carrier / Agent

Location / Phone

Policy Number: _____

Owner is hereby reminded that _____ must be named as Additional Insured under the Owners liability policy (#6e of contract). A Certificate / Endorsement can be obtained through your Insurance Agent and needs to be sent to Deen Properties, Inc. promptly.

5. **KEYS TO PROPERTY – FOUR (4) FULL SETS**

Front Door: _____ Deadbolt: _____ Mailbox: _____ Pool: _____

Security Door: _____ #'s _____ Storage: _____

Garage Door Openers: _____ Other: _____

6. **NEAREST PERSON TO NOTIFY IN CASE OF EMERGENCY If you are NOT AVAILABLE**

Name: _____

Address: _____

Telephone: _____ Relationship: _____

7. **KNOWN PROBLEMS EXISTING AT PROPERTY** (Roof leaks, plumbing, electrical repairs, etc.) Person / Companies / Firms Familiar with problems :

8. **COMMENTS – SPECIAL INSTRUCTIONS:** _____

WE APPROVE THE FORGOING INSTRUCTIONS:

Owners Name: _____

Owners Signature: _____ Date: ____ / ____ / ____

Owners Name: _____

Owners Signature: _____ Date: ____ / ____ / ____

Property Code: _____

Referral Agent: _____