

PROPERTY MANAGEMENT AGREEMENT

BETWEEN

HAWAII DREAM REALTY LLC, 2460 KOA AVE, STE. F, HONOLULU, HI 96815

Phone: (808) 735-2221 Toll Free Phone: 1866-735-2221 Toll Free Fax: 1866-405-4274

AND

PRIMARY OWNER: _____

ADDITIONAL OWNERS: _____

RENTAL PROPERTY TMK: _____

RENTAL PROPERTY ADDRESS: _____

OTHER AUTHORIZED PERSON if any (Trustee / Personal Rep / POA) to discuss OWNER'S business:

ADDRESS: _____

PHONE: (Primary) _____ (Secondary) _____

EMAIL: _____

RESIDENT MANAGER: _____ PHONE: _____

HOA / AOA: _____ PHONE: _____

NOTICE REGARDING HAWAII REQUIREMENTS REPORTING RENTAL INCOME: Hawaii General Excise Tax (GET 4.712%) must be paid on the gross rents (to include taxes, if any) collected by any person renting real property in the state of Hawaii. Under Hawaii Law, it is required to file a Federal Internal Revenue Form 1099 stating the gross amount of rent and taxes collected, with Hawaii Department of Taxation (Hawaii Revised Status, Section 237-30-5).

Hawaii Transient Accommodations Tax (TAT 10.25% + 3%) must be paid on the gross rents collected from a tenant or guest who has a permanent home elsewhere or does not intend to make the accommodation a permanent place of residence and the rental period is less than 180 consecutive days. TAT must be paid in addition to GET, Hawaii State Income, and City and County Property Taxes.

For more information regarding GET and TAT, or an application, visit <http://hbe.ehawaii.gov>. For Property Taxes, visit <http://honolulupropertytaxes.com>. Tax rates subject to change by the State of Hawaii.

It is highly recommended to hire a Certified Public Accountant (CPA) or Certified Tax Preparer (CTP) who is knowledgeable of all required taxes applicable to Hawaii income and can file all required forms for you on your behalf to avoid tax penalties. OWNER is responsible for all applicable taxes such as but not limited to Property Tax, GET, TAT, Hawaii State Income Tax in addition to Federal Income Taxes.

OWNER'S INITIALS

DATE

OWNER'S INITIALS

DATE

BROKER'S INITIALS

DATE

1. **AGENCY:** OWNER hereby appoints **HAWAII DREAM REALTY LLC as AGENT** hereinafter called AGENT the exclusive right to lease, rent, operate and manage the real property, hereinafter called UNIT, upon the terms and conditions set forth within. UNIT includes any furnishings listed on the Inventory Addendum and is subject to AGENT's verification of condition and acceptance.

2. **PROPERTY MANAGER:** AGENT reserves the right to assign the management of OWNER's UNIT to a Property Manager working for or on behalf of AGENT, to supervise activities and responsibilities of property management enumerated herein, at the sole direction of AGENT. Property Manager must hold an active Hawaii RE license and subscribe to Honolulu Board of Realtors, Hawaii Association of Realtors and National Association of Realtors.

3. **RENTAL INFORMATION:** AGENT shall determine the lease terms and rent schedule and shall make all reasonable efforts to obtain maximum rents available in the current rental market.

Rent Range: \$_____ to \$_____ per month, week or night _____

Long Term (more than 180 days): _____ (tenant subject to income/credit check & landlord tenant code)

Short Term (1-180 days): _____ (guests subject to payment in full but no income/credit check)

30 or 90 Day Min (30-180 days): _____ (guests subject to payment of first month & partial deposit)

Pet(s) Allowed with Pet Addendum (Long term): _____ Smoking Restrictions: _____

Section 8 Tenant(s) Allowed (Long term): _____ If Yes, OWNER agrees to all repair requested by Section 8 Inspectors

* Leases are subject to the provisions of Owner's Association Bylaws, House Rules, City Ordinances and Hawaii State Law.

4. **TERMS:** This agreement is valid effective _____ and shall remain in force for a period of not less than twelve months and shall continue to renew annually until cancelled or terminated.

- a. Either party may cancel or terminate this Agreement at any time by providing the other party with 45 days written notice. **However, if OWNER terminates within the first year, then #5 Termination Expenses shall apply.**
- b. This agreement shall terminate forty-five (45) days after mailing postmark of said notice.
- c. It is expressly agreed and understood that in the event of termination by OWNER, AGENT shall receive its normal fee for the duration of the tenant's lease for all long-term rentals or a 90-day period if month to month.
- d. Termination of this agreement does not invalidate or cancel any existing rental agreement or any short term reservations made by AGENT on behalf of OWNER of which all commitments must be honored.
- e. Future Reservations / Bookings shall be honored if termination is executed for a date sooner than the last confirmed reservation. If for any reason OWNER terminates AGENT without future bookings being honored, OWNER shall pay a booking Cancellation Fee of \$400 per reservation / booking being cancelled in addition to #5.
- f. Upon termination of management agreement, AGENT shall have the right to buy back any artwork or furnishings the AGENT provided or arranged at cost unless owner paid AGENT a Refurbishing Fee (#7-d) or Project Management Fee (#10) for the time to shop and find specific items as part of the AGENT's marketing efforts.

5. **TERMINATION EXPENSES:** If OWNER terminates this Agreement for any reason prior to its having been in force for one year, OWNER agrees to pay AGENT a termination fee equal to one month's rent for long term rental or a termination fee equal to total reservations / bookings of the month prior or a minimum fee of \$1,000.00. Termination fee shall apply if AGENT terminates this agreement due to OWNER non-compliance with the terms and conditions set forth within this agreement. Mutually agreed termination with all reservation commitments being honored, no fee shall apply.

6. **DUTIES OF AGENT:** AGENT is duly trained, licensed and qualified to perform the duties of AGENT. AGENT and or AGENT's appointed Property Manager shall perform these duties with due diligence and the skill ordinarily used by professionals in the same field. AGENT shall perform these duties in good faith and with the highest ethics. AGENT shall not be liable for any error or omission, except in cases of willful misconduct or gross negligence.

- a. **Rentals and Collection** - AGENT shall use their best efforts to obtain renters for OWNER's UNIT and to collect all rents and deposits for UNIT. AGENT may accept payments in cash, money orders, personal checks, or wired deposits, but shall not be liable to OWNER for the ultimate collection of such personal checks or other form of payment which are returned due to insufficient funds. AGENT shall deposit all rents collected for OWNER, less any sums properly deducted or otherwise provided herein, in a Trust Account with a federally insured banking institution in Hawaii of AGENT's choice and separate from AGENT's general operating account. However, AGENT shall NOT be held liable in the event of failure of a depository.

- b. Due Diligence - AGENT shall investigate references provided by prospective Tenant and obtain credit reports and criminal background reports but makes no guarantee as to the accuracy of information obtained from any source. OWNER agrees that AGENT shall NOT be held liable for the ultimate collection of uncollected rent.
- c. Distribution of Net Income - AGENT shall deduct reimbursements for authorized expenditures (as detailed in the Disbursements & Expenses Addenda) and AGENT's fees from gross rental income received. Deductions shall be made as necessary to maintain the required reserves of \$500.00 plus additional funds to cover one month's worth of expenses in the trust account at all times to meet contingency requirements. To the extent that there are amounts available for distribution AGENT is authorized and shall deposit distributions of income to OWNER's account via secured EFT (Electrical Funds Transfer) or ACH (Automatic Clearing House) to a US bank account which shall be provided by OWNER. For long term rentals, net proceeds of rents collected shall be disbursed to OWNER BY ACH between the FIFTH and TWENTYFIFTH of the same month, and BY CHECK between the FIRST and SEVENTH of the next month (after month period ends). For short term rentals, net proceeds will be disbursed to the OWNER for the calendar month prior between the FIFTH and TWELTH of the next month.
- d. Owner's Portal Online – OWNER shall receive access to the OWNER's Portal providing ledger details reserves, deposits, receipts, and charges to OWNER's account 24/7 online to check tenant rent paid or outstanding, property reports, rental agreements for long term leases, or any repair requests.
- e. Security Deposit - AGENT shall collect and hold security deposits (by statute the total of all deposits CAN NOT exceed one month's rent) in accordance with the Landlord Tenant Code on the TENANT's and OWNER's behalf. The Security Deposit shall be held for the purpose to ensure the UNIT is returned clean and free of damage or junk and that the TENANT has paid all rent due and any fees owed in accordance to the Rental Agreement. In the event of eviction or TENANT quitting the lease, the Security Deposit shall be used and applied towards any balance due from the tenant as allowed in the Landlord Tenant Code to (1) remedy Tenant defaults for damages resulting from Tenant's failure to maintain the UNIT, for failure to pay rent due, or for failure to return all keys furnished at the termination of the lease; (2) clean the UNIT or have it cleaned at the termination of the lease so as to place the condition of the UNIT in as good (or better) condition as when the Tenant took over possession of the UNIT; and (3) compensate for damages caused by Tenant who wrongfully quits the UNIT. OWNER agrees the Tenant's Security Deposit is NOT to be used as last month's rent and will only be reconciled once the UNIT has been vacated whether be within compliance of the lease or in cases of abandonment or eviction. OWNER agrees that AGENT shall determine the amounts if any to be charged to tenant and or deducted from tenant's deposit in accordance with the Landlord Tenant Code. OWNER agrees that any interest income earned from Security Deposit shall accrue to AGENT.
- f. Legal - AGENT is granted by OWNER the sole and exclusive right to: rent or lease the UNIT, inspect the property at such times as AGENT deems necessary, collect all rents and other funds that may be due OWNER, issue receipts, advertise the property, cooperate with other AGENTs as AGENT sees fit, compromise and settle claims, collect security deposits, screen prospective tenants, to terminate tenancies and to serve such notices and institute eviction proceedings on behalf of the OWNER as may be necessary to defend any legal actions arising out of the management of UNIT. OWNER authorizes AGENT to send to tenant demand letters and other notices concerning which include: rent, other charges, default, or enforcement of eviction. OWNER understands the AGENT is not an attorney and scope of service is limited if an eviction must be filed on behalf of the OWNER. AGENT recommends OWNER hires an attorney to properly act on OWNER's best interest in the recovery of any outstanding debt over and beyond the security deposit. OWNER shall be responsible to pay attorney fees incurred for commencing, completing, or settling an action.
- g. Service Contracts - AGENT is given the right to institute service contracts, repairs to the property, purchase materials, and pay for same out of OWNER's funds. Repairs or re-decorating cost, except of an emergency nature, over the sum of \$500.00 shall not be made without the permission of OWNER. AGENT may engage, supervise and discharge independent contractors in the name of OWNER, to maintain, redecorate and repair the property and to enter into contracts for utilities and other services as may be deemed advisable by AGENT and approved by OWNER.
- h. Insufficient Funds - AGENT is not obligated to make any advances or incur liability for OWNER if there are insufficient funds in OWNER's account. AGENT shall not be liable for any losses for nonpayment or late payment of any expenses because of the lack of fund availability to include the OWNER's reserve.
- i. 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. Short term rentals or vacation rentals are not subject to the Landlord Tenant Code. AGENT shall comply with Hawaii Fair Housing Laws, Chapter 515 of Hawaii Revised Statutes.

- j. Additional Services – Any additional services not listed within which OWNER may request AGENT to perform, shall be by mutual agreement with appropriate additional compensation.
 - k. Disbursements - AGENT shall make disbursements on the OWNER’s behalf as detailed in the Disbursement & Expenses Addenda. OWNER must provide to AGENT all payment coupons, vouchers or invoices before such disbursements shall be paid so long as OWNER has sufficient funds in OWNER’s Account..
 - l. Guarantee - AGENT makes no guarantee of a perfect tenant and OWNER shall not hold AGENT liable for any circumstance resulting from a less than perfect tenant. AGENT agrees NOT TO collect or charge undisclosed fees, deposits, rebates or discounts.
7. **AGENT’S FEES:** All obligations or expenses incurred hereunder shall be for the account, and on behalf of, and at the expense of OWNER. OWNER agrees to pay AGENT:
- a. **Monthly Fee** - OWNER shall pay to AGENT on **Long Term Rentals compensation 10%** of the monthly gross income received as rent, with a minimum monthly fee of \$100.00, regardless if UNIT is furnished or unfurnished for all long-term leases (6 months or more). **30-Day / 90-Day Minimum Rentals compensation 15%** of the monthly gross income received on all income. **Short Term Rentals compensation 20%** of the monthly gross income received on all income for the calendar month prior and income shall be applied at the end of the rental term or when received by a 3rd party booking vendor.
 - b. If UNIT is receiving compensation, i.e. rental protection for a fire, storm, etc., the fee will be the same as the monthly percentage, or the minimum monthly fee, whichever is greater. Under these conditions, AGENT shall monitor corrective actions, keep OWNER updated and rent UNIT when available.
 - c. If OWNER elects to have AGENT pay GET /TAT taxes on the Confidential Owner’s Information Addendum, OWNER shall pay **\$10 for the administration and submission of each set of Hawaii G-45, TA-1, G-49, and/or TA-2 forms per filing period and must sign/return the Hawaii State Tax Department Power of Attorney form N-848 as all payments will be processed online. AGENT is not a licensed CPA or Accountant and will not be held liable for any errors or inaccuracies with tax payments.** OWNER’s should review their monthly statements to ensure that the payments are correct and timely.
 - d. **Re-furnishing Fee** - Should AGENT be required to replace furnishings or any inventory, a fee of **\$50 / hour** could be charged by AGENT for the time to remove, purchase, deliver and replace items, in addition to the cost of the items and paid by the OWNER or deducted from OWNER’s reserve. AGENT may request OWNER to make suggested improvements or plan for necessary improvements in the future if the condition of the UNIT or the condition of the UNIT’s furnishings become a hindrance in AGENT’s ability to rent the UNIT.
 - e. Late Fee – any fee charged and paid by the tenant shall be divided 50/50 between OWNER and AGENT.
 - f. IF AGENT can assess a termination charge of \$500 to tenants breaking their lease prior to lease’s maturity:
 - 1) The termination penalty will be allocated exclusively to AGENT as compensation for administrative and tenant placement expenses incurred by AGENT.
 - 2) OWNER’s interests will be protected by the lease agreement with tenant who is liable to pay the rent until a replacement tenant is secured by AGENT unless an exemption applies (i.e. military tenant on orders).
8. **AGENT AUTHORIZED EXPENSES AND AUTHORITY:** OWNER hereby authorizes AGENT to accrue and make disbursements from OWNER’s funds for, and to undertake at OWNER’s expense, the following:
- a. Rental advertising at the discretion of the AGENT in order to secure a qualified tenant. Advertising includes internet ads and web site syndication. Print ads for a specific property shall be charged to the OWNER.
 - b. Cleaning of UNIT between tenancies, including, if AGENT deems necessary, making minor repairs, window washing, carpet shampooing, extermination and other customary service to maintain high standards, where not charged to the previous Tenant’s security deposit.
 - c. Making replacements and repairs, if AGENT deems necessary or advisable and using all due diligence, provided that any single expenditure in excess of \$500.00 shall not be incurred without OWNER’s prior consent other than in an emergency.
 - 1) Emergency repairs are those required to maintain a standard of living that provides for safety, health and welfare of Tenant and the integrity of the property. Refer to the Landlord-Tenant Code requirements.
 - 2) OWNER shall be notified immediately of any emergency repairs exceeding \$500.
 - d. Home warranty service charges and fees if OWNER has such warranty policy in place.
 - e. Any payments as instructed by OWNER (Disbursements & Obligations Addendum).
 - f. All legal fees for eviction and rent collection upon written consent of OWNER.
 - g. Any late charges accruing due to insufficient funds in OWNER’s account.
 - h. Any other reasonable expense upon verbal or written consent of OWNER.

Should OWNER fail to pay any or all AGENT fees or reimburse AGENT for its authorized expenditures, AGENT may deduct these amounts from the rental proceeds from UNIT or out of other funds held by AGENT in OWNER's account. AGENT assumes no personal liability for any late charges or any other debts of OWNER for any reason.

9. **DUTIES OF OWNER:**

- a. OWNER shall ensure that the UNIT is maintained in such a condition that normal rental income may be expected from UNIT.
- b. OWNER shall deposit with AGENT a minimum reserve of \$500.00, which AGENT may apply for expenses incurred on account of OWNER or for AGENT's fee earned hereinafter. Should the balance of the account fall below the minimum amount (excluding tenant's Security Deposit), OWNER shall make all reasonable effort to bring the balance to the minimum reserve of \$500.00. **If OWNER(s) elects AGENT to pay disbursements on OWNER's behalf, then OWNER must provide funds covering one month's worth of expenses in addition to the minimum reserve.
- c. OWNER shall verify and update any inventory of furnishings and fixtures in UNIT at his convenience upon the AGENT's request in order to maintain the property in the most desirable condition. OWNER shall provide copies of all available warranties and instruction manuals relating to appliances fixtures and equipment located on UNIT.
- d. OWNER shall save and hold AGENT and AGENT's successors and assigns harmless on account of any damage to UNIT or from the loss of or any damage to any furniture, fixtures, other articles therein, and from any and all injury to any person or persons whomsoever, from any cause whatsoever in or about said UNIT.
- e. The OWNER shall purchase and maintain sufficient Property and Liability insurance shall purchase and maintain complete OWNER/AGENT liability insurance in the minimum amount of \$1,000,000 to cover UNIT for all such liability and shall furnish AGENT a copy of the insurance policies and renewals of those policies on UNIT, or certificates thereof, from an insurance company authorized to do business in the State of Hawaii.
 - 1) Such policies shall be so written as to protect AGENT and AGENT's Representative in the same manner and to the same extent that they protect OWNER and will name AGENT and AGENT's Representative as additional insured.
 - 2) OWNER shall notify AGENT if policy lapses or is allowed to lapse for any reason.
 - 3) OWNER grants irrevocable authority to AGENT to re-establish OWNER / AGENT liability insurance or to purchase such insurance on behalf of OWNER if policy becomes ineffective for a period of 14 days without written confirmation from OWNER and Insurer that reinsurance of such a policy is imminent.
 - 4) OWNER agrees to reimburse AGENT for all costs and expenses including attorney fees paid or incurred by AGENT in connection with the defense of any claim or demand associated with the property.
 - 5) OWNER shall provide an on-island insurance agent's name if available.
- f. OWNER shall apprise AGENT of any changes to pertinent information disclosed within.
- g. Should OWNER require any additional waiver of liability for any property improvement or condition that can increase a tenants' or guests' chance of injury or death (i.e. swimming pool, boat dock, water frontage, steep hill, cliff, rock/mud slide, etc.) to be used along with AGENT's rental agreements, OWNER shall provide such waiver, if any, to AGENT.
- h. OWNER shall provide AGENT with a list of deficiencies in the property and/or disclosure concerns that should be disclosed to a prospective Tenant concerning the property. The Hawaii Association of Realtors® "Sellers' Real Property Disclosure Statement for Single-Family Residences" form can be used as a guide in providing this information or what information is suggested to disclose.
- i. OWNER shall furnish AGENT with three complete sets of keys to UNIT; two sets to be issued to Tenant and one set to be retained by AGENT; a current copy of the house rules; a copy of all service contracts in effect on UNIT; a copy of information regarding insurance held by the Owners Association, where applicable; a copy of insurance policies and any warranty information held by the OWNER.
- j. OWNER assures AGENT that funds shall be provided in OWNER's account to allow AGENT to perform needed duties, including emergency repairs, in a timely manner.
- k. OWNER will inform AGENT of desired termite inspection/treatment requirements in writing. AGENT will not undertake termite inspections or treatment without specific instruction from OWNER.
- l. OWNER shall not compete with AGENT to acquire a tenant or guest reservation (i.e. advertising or marketing, print or online). All advertisements must be approved by the AGENT.

10. **PROJECT MANAGEMENT:** Under the terms of this agreement, AGENT shall institute and manage routine repairs and maintenance of the property to correct and repair reasonable "wear and tear" damages and prepare the Property for new Tenant. AGENT shall not be entitled to any additional compensation for such management services.
- a. OWNER may, at either the recommendation of the AGENT or on his own initiative, complete more extensive maintenance, renovation or remodeling to maintain or upgrade the property, but agrees to do so in accordance with the Landlord Tenant Code and not violate a tenant's rights of "quiet enjoyment" or failing to provide 48 hour notice of inspection or necessary entry. OWNER shall coordinate access if required through the AGENT and will not visit the property without prior consent by AGENT.
 - b. This might include, but is not limited to such projects as re-roofing, replacing driveways or sidewalks, enclosing porches or lanais, repainting, replacing flooring or floor covering, replacing windows, etc.
 - c. In general, these projects shall be defined as major projects costing more than \$1,000 which shall require pre-planning, authorization by the OWNER and reserves to cover the cost of the improvements.

AGENT shall contract for and manage such major projects for and on behalf of OWNER when so directed by OWNER in writing. **AGENT's compensation** for such Project Management in the amount of **15% of the cost** of such projects, or as otherwise mutually agreed in writing, to be payable either out of the proceeds of rents (if OWNER has funds available) or paid in advance directly by the OWNER to AGENT.

11. **SALE OF PROPERTY:** Should OWNER sell the property to a third party, there is no obligation for OWNER to list the Property for sale with AGENT however as a full service brokerage firm, AGENT can list the property and continuing to rent it to maintain income through-out the sales process. Additionally, OWNER understands that the terms of a management agreement or lease and or terms of future rental commitments do convey with the property to the new OWNER (the buyer) who will be obligated by those terms under Hawaii State Law. There is no automatic termination of any agreement.

If the Property is offered for sale after the execution of this Agreement, OWNER shall:

- 1) Give AGENT prior written notice.
- 2) Refrain from contacting Tenant directly.
- 3) Not interfere with Tenant's "quiet enjoyment" of the Property.
- 4) Not require AGENT to show the Property for the purpose of sale unless AGENT is directly affiliated with the listor by agency.
- 5) Make arrangements for showing the Property through AGENT so as not to jeopardize the rental agreement or short-term reservations (tenants require 48 hour notice and guests should not be disturbed).
- 6) Disclose Sale of the Property shall be subject to the existing rental agreement or short-term reservations and possession to the buyer must be after the completion of all commitments (leases or bookings).
- 7) AGENT shall have the right to buy back any artwork or furnishings the AGENT provided or arranged at cost unless owner paid AGENT a Refurbishing Fee (#7-d) or Project Management Fee (#10) for the time to shop and find specific items as part of the AGENT's marketing efforts.

12. **POWER OF ATTORNEY:** OWNER hereby makes, constitutes and appoints AGENT with full power of substitution his true lawful Attorney-in-Fact to perform the following duties and obligations:

- a. To sign and acknowledge any lease of UNIT pursuant to the terms hereof; and
- b. To take appropriate action, including eviction of Tenant, necessary to enforce compliance with such Rental Agreements. The foregoing grant of authority is a Special Power of Attorney. It is irrevocable during the term of this Agreement and shall survive the incapacity or death of OWNER.
- c. To institute and prosecute legal action in the name of and at the expense of OWNER to evict Tenants, recover possessions of the Property, recover rents and/or other sums due from Tenant, and to settle, compromise or dismiss such action. Any such legal action shall be brought through OWNER's attorney, or if none, an attorney selected by AGENT and approved by OWNER.

13. **DISPUTE RESOLUTION:** In the event of any dispute between OWNER and AGENT arising out of this Agreement, the parties agree to use their best good faith efforts to resolve the dispute between them.

- a. If such efforts are unsuccessful, the parties agree to utilize the mediation services of the Honolulu Board of REALTORS®.

- b. Should mediation not be successful, the parties agree to submit the dispute to binding arbitration before the Professional Standards & Arbitration Committee of the Honolulu Board of REALTORS® or another institution or company acceptable to both parties, under recognized commercial rules of arbitration.
- 14. **NOTICES:** All notices and demands hereunder shall be in writing to include any changes in mailing address. Notices to OWNER shall be addressed to the address provided on page ten of this agreement and to AGENT shall be mailed to Hawaii Dream Realty LLC, PO BOX 4569, Kaneohe, Hawaii 96744.
- 15. **DEFINITIONS:** The words "approved" and "approval", where not otherwise specifically related, shall be limited in their meaning to the judgment, discretion or decision of OWNER except where stated "sole discretion of AGENT".
- 16. **INDEMNITY:** OWNER shall defend, indemnify, and hold AGENT harmless from any and all losses incurred during the term of this Agreement resulting from or arising out of any negligent acts, errors or omissions of AGENT in the performance of this Agreement. The foregoing indemnification does not apply to the extent losses are caused by or result from the gross negligence or willful misconduct of the indemnified party.
- 17. **COMPLIANCE WITH STATE AND FEDERAL LAW:** 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 AGENTS and tenants. (Note: Lease periods, number of occupants, and acceptance of pets are subject to the provisions of: (1) the Declaration, Bylaws, and House Rules of the Condominium Association; (2) City and County Ordinances; (3) State laws; and (4) Federal laws.) AGENT endorses and adheres to Fair Housing Laws that prohibit housing discrimination based on a person's race, color, religion, national origin, sex, presence of minor children in the family, physical or mental disability, marital status, or age. AGENT shall promptly notify OWNER of any complaint, warning or summons by any Governmental Agency pertaining to the Property. AGENT, however, has no duty to independently review the Hawaii Criminal Justice Data Center, Sex Offender Registry, etc., concerning the property or the surrounding neighborhood.
- 18. **MISCELLANEOUS:** This agreement contains the entire Agreement between the parties and may be modified only in writing and signed by all parties. Any lined out provisions shall NOT VOID OR MODIFY this agreement. If AGENT is prevented from performing or is unable to perform any of its obligations under this Agreement due to causes beyond the reasonable control including but not limited to Force Majeure Events such as fires, volcanic eruption, tsunami, hurricane, acts of civil or military authorities, civil disobedience, pandemic, government shutdown, federal or state emergency orders or prolonged interruptions in telecommunications, Internet services or other essential utility or service then AGENT's performance shall be excused and the time for performance shall be extended accordingly. If AGENT's performance is prevented or delayed for more than thirty (30) consecutive days due to a Force Majeure Event, then the AGENT may terminate this Agreement upon delivery of written notice. This Agreement shall be binding upon the execution of and to the benefit of the successors and assigns of the AGENT, and the heirs, administrators, executors, successors and assigns of the OWNER. The laws of the State of Hawaii shall govern. None of the foregoing provisions shall deprive OWNER or AGENT of any action, right or remedy otherwise available to them or any of them under the law.
- 19. **ADDENDA ATTACHED TO THIS AGREEMENT:**

- Property Information Addendum (page 9)
- Confidential Owner Disbursements Addendum (page 10)
- Confidential Owner Expenses Addendum (page 11)
- Confidential Owner Reserve & Insurance Addendum (page 12)
- Property Management Type Comparison Chart (page 13)
- _____ Inventory and Condition Addendum (attach if applicable)
- _____ Other (attach if applicable) _____
- _____ Other (attach if applicable) _____

20. **THIRD-PARTY CHANNEL PARTNER PROVISIONS:** AGENT shall use third-party channel partners to market and generate short term rental bookings. OWNER understands that the third-party channel partners may have different policies regarding cancellations of future reservations, refunds and or damage claims with short term rental guests which may override the company policy. In many cases, the third-party channel partner collects and disburses reservation income to the AGENT however the AGENT makes no guarantee to the OWNER of income. If a short term guest attempts at any time to dispute a charge through its credit card issuer otherwise known as a Charge Back, any gross rent, tax, fees or other payments previously paid may be reversed by the bank without AGENT or OWNER's consent. In the event of a charge back or fraud claim that results in the reimbursement of all or any portion of the disputed amounts, then AGENT will have to take back disputed funds from the OWNER in direct proportion how funds were applied (room revenue, taxes, cleaning, management fees, etc.). AGENT requires a valid photo id or passport of guest upon arrival in best efforts to protect against Fraud. All direct bookings or cases where AGENT collects the funds, we charge 50% upon making the reservation and the final 50% payment 30 days prior to check in. OWNER understands that confirmed reservations including third-party reservations must be honored; under no circumstances can the OWNER cancel existing reservations as detailed in #4.

21. **ADDITIONAL TERMS:**

Should any provision of the Management Agreement, at any time, be in conflict with any law, governmental ruling or regulation, or be unenforceable for any reason, then such provision shall continue in effect only to the extent that it remains valid. In the event any provision of this Management Agreement becomes less than operative, the remaining provisions of the Management Agreement shall nevertheless remain in full force and effect.

By OWNER signature hereon, the signer certifies that he/she is the sole OWNER(S) of the subject property, or that he/she is the legally appointed representative of all other owners, if applicable, and shall be the sole point of contact with AGENT, and that all actions taken by the signer shall be binding on all OWNERS.

ACCEPTANCE AND APPROVAL

OWNER's Signature

Print

Date

OWNER's Signature

Print

Date

PROPERTY MANAGER's Signature

Print

Date

BROKER's Signature

Print

Date

PROPERTY INFORMATION ADDENDUM

UNIT Address: _____
Bedrooms: _____ Baths: _____ Lvg. SQFT: _____ Lanai SQFT: _____
Rental Property Includes: ___ Stove/Oven ___ Refrigerator ___ Dishwasher ___ Disposal ___ Washer/Dryer
___ Microwave ___ A/C central ___ A/C split ___ A/C window ___ Blinds ___ Curtains ___ Drapes ___ Furnished
Flooring (all that apply): ___ Carpet ___ Linoleum ___ Vinyl ___ Ceramic Tile ___ Laminate ___ Wood
Remodeled / Upgrades: _____
Property Type: ___ House ___ Duplex ___ Townhouse ___ Condo/Apartment ___ CO-OP ___ CONDO-TEL
Building Name: _____ Year Built: _____
of Parking Spaces: _____ Parking Stall #'s: _____
Parking (all that apply) ___ Garage ___ Carport ___ Street ___ Tandem ___ Covered ___ Open ___ Guest
MF/HOA Include: ___ Water ___ Hot Water ___ Electric ___ Gas ___ Cable ___ Internet ___ Yard ___ Pool
Pool: _____ (all that apply) ___ Private ___ Community ___ Salt-water ___ Hot-tub ___ NONE
Yard: _____ (all that apply) ___ Private ___ Fenced ___ Common Area ___ NONE
Other: _____

KEYS (OWNER is required to provide (3) full sets of keys at the OWNER's expense).

Front Door _____ Back Door _____ Mailbox _____ Other _____
Security / FOB _____ Pool _____ Auto Garage Opener / Gate Remote _____

Owner HAS or DOES NOT HAVE Knowledge of Lead Based Paint: _____

Owner HAS or DOES NOT HAVE Reports of Lead Based Paint: _____

Other Disclosures if any (known facts such as mold, hazardous waste, etc.)

Existing Problems: (roof leak, leaky toilet, problems w/ appliances, etc.) _____

Preferred Vendor for Repairs: _____

Preferred Vendor for Repairs: _____

Home Warranty Protection Plan: _____

CONFIDENTIAL OWNER DISBURSEMENT ADDENDUM

ALL APPLICABLE INFORMATION IS REQUIRE PRIOR TO ANY OWNER DISBURSEMENTS

OWNER 1: _____

Phone #: _____

Email Address: _____

Mailing Address: _____

City, ST Zip: _____

Net-Income Disbursement Percent: _____

SS# or FIN#: _____

Or International ITIN#: _____

Hawaii GET#: _____

Hawaii TAT#: _____

Owner or Agent to Pay GET/TAT Taxes: _____

Conditional Use Permit #: _____

Emergency Contact: _____

Relationship: _____

Phone #: _____

Email Address: _____

Mailing Address: _____

City, ST Zip Code: _____

OWNER 2: _____

Phone #: _____

Email Address: _____

Mailing Address: _____

City, ST Zip: _____

Net-Income Disbursement Percent: _____

SS# or FIN#: _____

Or International ITIN#: _____

Hawaii GET #: _____

Hawaii TAT#: _____

Owner or Agent to Pay GET/TAT Taxes: _____

Conditional Use Permit #: _____

Emergency Contact: _____

Relationship: _____

Phone #: _____

Email Address: _____

Mailing Address: _____

City, ST Zip Code: _____

DIRECT DEPOSIT AUTHORIZATION EFT / ACH

Direct Deposit via EFT (Electric Funds Transfer) is the most secure and efficient way to receive net disbursement. EFT transfers take 2 business days for the funds to be available. OWNER authorizes to receive OWNER's net Rental Income disbursements via EFT directly into the account listed below. This authorization will remain in effect until written notice to cancel or update the account information.

OWNER 1 Name(s) on Account: _____

Financial Institution: _____ Checking Savings

Routing #: _____ Account #: _____

OWNER 2 Name(s) on Account: _____

Financial Institution: _____ Checking Savings

Routing #: _____ Account #: _____

Provide a VOID Check (for each account/owner) to set up the direct deposit.

CONFIDENTIAL OWNER EXPENSES ADDENDUM

OWNER REQUESTS THE FOLLOWING EXPENSES BE PAID ON OWNER'S BEHALF IF FUNDS ARE AVAILABLE WHICH SHALL CONTINUE UNTIL NOTIFIED IN WRITING OTHERWISE. OWNER UNDERSTANDS THIRD PARTIES WILL NOT PROVIDE INFORMATION TO AGENT UNLESS OWNER DIRECTLY INFORMS EACH PARTY TO DO SO.

Maintenance Fee: _____ Mailing Address: _____

Account #: _____ Amount: \$ _____ Due Date: _____ Starting: _____
.....

Association Fee: _____ Mailing Address: _____

Account #: _____ Amount: \$ _____ Due Date: _____ Starting: _____
.....

Insurance: _____ Mailing Address: _____

Account #: _____ Amount: \$ _____ Due Date: _____ Starting: _____
.....

Property Taxes: _____ Mailing Address: _____

Account #: _____ Amount: \$ _____ Due Date: _____ Starting: _____
.....

Electric: _____ Mailing Address: _____

Account #: _____ Amount: \$ _____ Due Date: _____ Starting: _____
.....

Water/Sewer: _____ Mailing Address: _____

Account #: _____ Amount: \$ _____ Due Date: _____ Starting: _____
.....

Cable: _____ Mailing Address: _____

Account #: _____ Amount: \$ _____ Due Date: _____ Starting: _____
.....

Internet: _____ Mailing Address: _____

Account #: _____ Amount: \$ _____ Due Date: _____ Starting: _____
.....

Other: _____ Mailing Address: _____

Account #: _____ Amount: \$ _____ Due Date: _____ Starting: _____
.....

Other: _____ Mailing Address: _____

Account #: _____ Amount: \$ _____ Due Date: _____ Starting: _____
.....

IF THIS PAGE IS BLANK, IT'S UNDERSTOOD THE OWNER SHALL PAY ALL EXPENSES FOR THE PROPERTY.

CONFIDENTIAL OWNER RESERVE & INSURANCE ADDENDUM

FOR EACH EXPENSE OWNER INSTRUCTS AGENT TO PAY IF ANY, OWNER MUST PROVIDE ALL PAYEE / ACCOUNT INFORMATION TO AGENT IN ORDER TO ENSURE TIMELY PAYMENTS. OWNER must notify AGENT of any changes in payment information, such as annual increases and payment mailing address.

OWNER must update the billing address with each of the payees so that the AGENT receives the invoices / statements to be paid on OWNER'S behalf or the OWNER must forward the bills to AGENT to pay. AGENT will not be responsible if bills are not received and therefore timely payments are not made. All bills are paid by check and mailed to the mailing address as instructed (no automatic payments).

OWNER shall provide AGENT with all required coupons, invoices or statements to accompany any payment paid on behalf of OWNER. OWNER understands if the property does not have funds available to cover any required or approved expenses, OWNER must make payments directly or make owner contribution to AGENT to cover such expenses. AGENT will not assume responsibility of payment if funds are not available and late fees are assessed.

FUNDS TO BE HELD ON RESERVE

OWNER's Monthly Maintenance Fee payment amounts: \$ _____

OWNER's Monthly Association Fee payment amounts: \$ _____

OWNER's Monthly Insurance payment amounts: \$ _____

Total of all OWNER's Monthly Payment amounts: \$ _____

PLUS OWNER's Emergency Reserve: \$ 500.00

Total to be Held as OWNER's RESERVE: \$ _____

INSURANCE INFORMATION

Liability Insurance Company: _____

Policy Number: _____ Phone: _____

Fire Insurance Company: _____

Policy Number: _____ Phone: _____

IN HOUSE ONLY:

System: _____ Code: _____ Void Check: _____

Comments: _____

Property Management Type Comparison Chart

	Short Term Rentals Daily Vacation Rentals	Short Term Rentals 30 Day / 90 Day Minimum	Long Term Rentals 6 Months or 1 Year Residence
Client type	Guest centric	Temporary Housing / Company Paid Accommodations	Tenant / Resident centric
Client Requirements	Furnished, requires electric, water, cable & Internet to be provided (they will not get their own services)	Furnished, requires electric, water, cable, Internet & parking are included with rent	Usually unfurnished, prefers electric, water, cable, Internet & parking include with rent but tenant will get own services
Client Preferences	Kitchenette okay with mini frig with basic kitchen-wares & CLEAN, unstained linens	Full kitchen preferred or Kitchenette w/ larger frig, kitchen-wares & CLEAN, unstained linens required, usually needs parking	Full kitchen preferred or Kitchenette w/ larger frig but not fully stocked w/ kitchen-wares & linens, usually needs parking
Client Expectations	Highest, no tolerance for old/worn condition or clutter	Highest, no tolerance for old/worn condition or clutter	Within reason to price point (will rent old/worn condition for a cheap rate)
Management Platform	Hotel Management software	Depends - could be in either system	Property Management software
Marketing	Airbnb.com, HomeAway, VRBO, Booking.com, etc	Airbnb.com, HomeAway, VRBO, Apartments.com, Craigslist, Zumper, etc	Apartments.com, Craigslist, Hicentral MLS, Zumper, etc
Instant Booking	Yes with full payment	N/A	N/A
Payment Rules	Paid in full in advance 30 days prior to check in date	Deposit & first month's rent paid prior to moving in, then monthly	Deposit & first month's rent paid prior to moving in, then monthly
Deposit	\$250 - \$500, depends on 3rd party	\$250 - \$1000, depends on 3rd party	Equal to one month rent, held in separate Security Deposit account
Application	N/A	Depends how booked - 3rd party	Yes - online, references checked
Credit, Criminal, Eviction Checks / Verification	N/A	Depends how booked - 3rd party	Required - tenant pays fee
Landlord Tenant Code	N/A	Reservations N/A & Leases Yes	Yes applicable
Eviction Mortitorium	N/A	Reservations N/A & Leases Yes	Yes applicable
Can you lock out for non-payment?	Yes and trespass from property	Depends how booked	No, must file eviction through courts for summary possession
Will police assist removal?	Yes and trespass from property	Reservations Yes & Leases No	No, tenants have rights under Landlord Tenant Code
Available for owner's use?	Yes if calendar is available (can not cancel a confirmed booking)	Yes if calendar is available (can not cancel a confirmed booking)	No, tenants have rights for lease term of quiet enjoyment
Management Fee	20% of Gross Revenue	15% of Gross Revenue	10% of Monthly Rent
# of transactions / year	13 - 60 reservations	3 - 12 reservations / leases	1 - 2 leases
# of cleanings / year	13 - 60 cleanings (paid by guest)	3 - 12 cleanings (paid by guest)	1 - 2 cleanings (at lease term end)
GE & TA Taxes	GE & TA paid by guest to owner	GE & TA paid by guest to owner	GE (not usually charged to tenant)
Projected Income	Highest potential, seasonal	Average rates	Lower rates but stable monthly
Vacancy	13% - 25% annual average	15% - 35% annual average	Depends on condition, price, and market demand
Zoning for use	Resort / Resort Mixed / NUC	Resort / Resort Mixed – 30 Day Residential - 90 Day minimum	Residential only