

# POINT OF SAIL REALTY

## PROPERTY MANAGEMENT AGREEMENT

BETWEEN

AGENT: POINT OF SAIL REALTY  
34 Westervelt Street  
Wahiawa, HI 96786

AND

OWNER: \_\_\_\_\_ SS# \_\_\_\_\_  
\_\_\_\_\_ SS# \_\_\_\_\_

MAILING ADDRESS: \_\_\_\_\_  
\_\_\_\_\_

E-MAIL ADDRESS \_\_\_\_\_

BUSINESS PHONE: \_\_\_\_\_

RESIDENCE PHONE: \_\_\_\_\_

FOR 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

## RESIDENTIAL PROPERTY MANAGEMENT AGREEMENT

THIS AGREEMENT is made this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_ by and between POINT OF SAIL REALTY whose business and post office address is 34 Westervelt Street Wahiawa, HI 96786, hereinafter referred to as AGENT and \_\_\_\_\_ whose residence and post office address

is \_\_\_\_\_  
hereinafter referred to as the PROPERTY.

1. AGENCY. OWNER appoints AGENT as its exclusive agent to rent and or manage on the OWNER'S behalf, the PROPERTY above described, and 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 \_\_\_\_\_, 20\_\_ and terminate \_\_\_\_\_ . This Agreement shall automatically be renewed for additional periods of twelve (12) months. This Agreement may be terminated by either party upon sixty (60) days written notice to the other party subject to the termination fee provided in Paragraph 8. Termination of this Agreement does not cancel any existing Rental Agreements made by the AGENT for the OWNER, and 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 and agreements in accordance with Schedule A. AGENT shall collect all rents and deposits for the PROPERTY. AGENT may accept payments in cash, money order, or personal checks, but shall not be liable to the OWNER for the ultimate collection of such personal checks. AGENT may collect directly from tenants for AGENT'S benefit any or all of the following: a late-rent administrative charge, a non-negotiable check charge, credit report fee, an application fee and sub-leasing charge and need not account for such charges to OWNER.

b. DEPOSIT FUNDS. AGENT shall deposit all funds collected for the OWNER in the AGENT'S trust account in a federally insured bank or savings and loan company on the island of Oahu, designated by the AGENT.

c. SECURITY DEPOSIT. AGENT shall collect and hold security deposits in an interest bearing account and said 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 or to any other charges due by the tenant, refunded to the tenant or disbursed to the OWNER, at AGENT'S discretion.

d. MONTHLY STATEMENTS. AGENT shall send monthly statements of cash receipts and disbursements by the 10th day of the month following the month being reported to the OWNER(S) at the physical or e-mail 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 payments, expenses and fees and remit the net proceeds, less any security deposits and credit balances to the following persons in the proportion and at the addresses shown below, on or before the 10<sup>th</sup> day of the month following the month of collection.

NAME	ADDRESS	PROPORTION OF DISTRIBUTION
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f. INSUFFICIENT FUNDS. AGENT shall not be obligated to make any advance payments or incur any liability for OWNER'S 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 OWNER'S account. In the event disbursements and charges are in excess of the rents or receipts collected by the AGENT and the minimum operating account balance, OWNER agrees to pay such deficit within ten days of receipt of billing by AGENT. OWNER also agrees to pay a finance charge of 1.5 % per month for any deficit funds not paid within ten days of billing date.

g. NO UNDISCLOSED FEES. AGENT agrees not to collect or charge undisclosed fees, rebates or discounts. Any volume purchasing or other discounts which are available to AGENT are to benefit OWNER.

h. 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 summonses relating to such matters.

i. 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. Point of Sail Realty 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.

j. LEGAL ACTIONS. AGENT has 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, 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.

k. SERVICE CONTRACTS. AGENT shall have the authority to arrange for all utility services necessary for the proper operation and protection of the PROPERTY including but not limited to telephone, electricity, cable TV, internet, housekeeping, pest control and any other services such as membership in promotional programs, athletic clubs or social organizations in the homeowners association as AGENT deems necessary. OWNER is to assume cost and responsibility for these services unless the rental agreement specifies otherwise.

l. ADDITIONAL SERVICES. Any additional services which OWNER may request, or the agent deems necessary to maintain the property in good order shall be performed with additional compensation to AGENT at a rate of \$40.00 per hour. Additional services include supervision of remodeling, fire restoration, shopping, assistance with decorating 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 an initial fee for renting the property of 10% of the rental income received for first month and a monthly fee thereafter of 10% of the monthly gross rental income received from the operation of the PROPERTY during the period of this agreement or extension of to agreement.

### b. AUTHORIZED EXPENDITURES

(1) Rental advertising, credit checks, and tenant verification;

(2) Cleaning premises, including minor repairs, window washing, carpet cleaning, pest control, and other customary services AGENT may consider necessary to maintain high standards;

(3) Repairs and replacement as AGENT may consider necessary or advisable. AGENT agrees to seek prior approval of OWNER on all expenditures in excess of \$350.00 for any one item, except monthly recurring operating expenses and/or emergency repairs deemed necessary by the AGENT to protect the PROPERTY or to provide services to the tenant in accordance with their lease(s);

(4) International Long distance communications with the OWNER;

(5) Legal fees for actions instituted against tenants; and

(6) Any expense listed on Schedule A attached to this agreement.

## 6. DUTIES OF OWNER

a. INVENTORY LIST. 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 four complete sets of keys to the PROPERTY, two sets to be issued to tenant and one master set to be retained by AGENT and one additional copy available for use by a vendor; 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 \$350.00 with AGENT. AGENT may apply such funds for expenses 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. W-9, GENERAL EXCISE APPLICATION AND/OR WAIVER. OWNER shall furnish AGENT with the proper tax information; applications and/or waiver in order for the representing AGENT to comply with all Federal and State Laws, Regulations and Ethics. The appropriate forms will be provided as an addendum to the Management Agreement.

e. HOLD HARMLESS. All obligations or expenses incurred will be for the 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 furnishings, 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 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.

7. 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, or services of or for the PROPERTY, to take any action necessary to enforce compliance with such lease, including eviction of any tenant, and to engage in any and all services including utilities 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 75% of the management fees due for the balance of the term of any rental or occupancy agreements in effect at the time of cancellation.

9. SALE OF PROPERTY. There is no obligation 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 cause another to do so, or to infringe upon their right of the tenant's quiet enjoyment (c) not require AGENT to show the PROPERTY for purposes of sale, unless AGENT is the lister by

separate agreement and (d) make arrangements through AGENT for showing of the PROPERTY in such a manner that rental agreements with tenants are not jeopardized or made liable for cancellation for good cause. Sale of the PROPERTY shall be subject to existing rental agreements. Sale of the PROPERTY will automatically terminate this Agreement, subject to any applicable termination fee.

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.

Signed in duplicate this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_  
Receipt of a copy of this Agreement is acknowledged by each party.

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Owner 1 (Print Name)	Owner 1 (Signature)	Date
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Owner 2 (Print Name)	Owner 2 (Signature)	Date
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Agent (Print Name)	Agent (Signature)	Date
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