



Property Management Agreement
Hawaii Association of REALTORS® Standard Form
Revised For Release

DRAFT--NEW FORM for use
during 10/22/15 SFC meeting



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Licensee in Brokerage Firm is[] is not[] a REALTOR® and member of the National Association of REALTORS®. Seller is aware that the National Association of REALTORS® holds its members accountable for their actions through a strict Professional Code of Ethics, which includes a grievance system to address complaints. Non-members are not required to participate in the grievance system.

Property Reference or Address: _____

Tax Map Key: Div. ____/Zone ____/Sec. ____/Plat ____/Parcel ____/CPR ____ (if applicable).

Brokerage Firm _____

Owner's Name _____ (%)

Address _____

Owner's Name _____ (%)

Real Estate Licensee _____ Phone _____

Owner SSN or FEIN to be used for 1099 _____

GE Tax ID Number: _____

*"Hawaii General Excise Tax 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 the Federal Internal Revenue Service Form 1099 stating the amount of the rents collected shall be filed with the Hawaii Department of Taxation."
Hawaii Revised Statutes Section 237*

Owner, _____ (hereinafter "Owner") and Brokerage Firm, _____ (hereinafter "Agent") mutually agree as follows:

1. AGENT:

Owner exclusively appoints Agent to manage on the Owner's behalf the property described on page one. Owner warrants that Owner is the sole owner of the Property or has unconditional authority to execute this Agreement on behalf of any co-owner and the Property is not subject to current legal action or foreclosure. Agent accepts this exclusive agency appointment subject to the terms and conditions set forth in this Property Management Agreement (hereinafter "Agreement").

2. RENTAL INFORMATION:

Agent shall determine the lease terms and rent schedule and will attempt to obtain the maximum rent available in the current rental market. The Owner acknowledges that actual rents and lease periods will vary depending on the current rental market. Agent will notify the Owner if desired rents or lease periods do not reflect current rental market conditions.

Desired Monthly Rental Range: \$ _____

Minimum Desired Lease Term: _____

Maximum Desired Lease Term: _____

Are you willing to allow pets: ____ Yes ____ No

If yes, specify type allowed, indoor/outdoor, association weight limit, etc. _____

Note: Leases are subject to the provisions of Owner Association By-Laws and House Rules, City Ordinances, and State and Federal Laws.

BROKER'S INITIALS & DATE

OWNER'S INITIALS & DATE



3. TERM:

The term of this Agreement is for a period of _____ [one (1) year if left blank] commencing on _____ and thereafter shall automatically continue unless terminated by owner or by agent with _____ [sixty (60) days if left blank] prior written notice. Termination of this Agreement does NOT invalidate any existing rental agreements made by Agent on the owner's behalf. All legal provisions of the Landlord Tenant Code must be met if the Owner decides to sell, exchange, or occupy the property. If either party to this Agreement takes actions or fails to take action resulting in a violation of any State or Federal Law, then the other party may immediately terminate this contract by providing written notice. In the event this Agreement is terminated by Owner prior to the expiration of the initial one-year term, Owner agrees to pay Agent a termination fee of _____. After the expiration of the initial term, should owner terminate this Agreement for any reason other than to sell, trade, or to occupy the property on a permanent basis, it is mutually agreed that the Owner shall pay the agent _____.

Examples: Balance of commissions due for remaining lease term or flat fee.

4. AGENT DUTIES:

(a) Rentals and Collections: Agent shall use its best efforts to obtain renters for the property and to collect all rents and deposits as documented in the Lease. Agent is authorized to advertise the unit for rent by any means it deems proper and advisable. Agent shall investigate each prospective tenant carefully. Agent may accept payment by money order, personal checks, or electronic fund transfer, but shall not be held liable to the Owner for any payment returned for insufficient funds, or other reasons. Agent shall not be held responsible for any loss sustained by the Owner due to unpaid rent, repairs, and utilities if the tenant is evicted, abandons the property, breaks the lease, or moves from the property and fails to pay the remaining balance due.

(b) Deposit of Funds: Agent shall deposit all funds collected for the Owner into Agent's client trust account in a federally insured bank in Hawaii; Agent shall not be responsible for any loss resulting from the insolvency of such depository. The client trust account funds will not be comingled with any funds associated with Agent's business operations.

(c) Distribution of Income to Owner: On a _____ (monthly if left blank) basis, net proceeds of rent collected will be transmitted to Owner via _____. Agent shall deduct from gross rental income, Agent's fees and reimbursements for authorized expenditures.

(d) Financial Reporting to Owner: On a _____ (monthly if left blank) basis and annual _____ (calendar or fiscal) basis, Agent will make available to Owner an itemized statement of all income and expenses related to the property for that period.

(e) Maintenance and Repairs:

1. Agent is authorized to make all ordinary repairs and replacements reasonably necessary to preserve and maintain the Property, through contracted services or otherwise. Such maintenance and repairs are the financial responsibility of the owner.

2. Owner agrees that the following list of improvements are to be cleaned or maintained professionally at a time which is designated by Agent and charged to Owner. Examples: Garage door rails, gutters, air conditioner systems _____

3. Should Agent have reasonable expectation that any single expenditure for replacement and/or repair shall exceed \$ _____, Agent shall contact Owner for Owner's authorization. Owner agrees that an exception to the above would be in the case of an emergency or repair/replacement considered a matter of habitability and/or pertaining to law.

4. Agent shall not be required to perform any act or duty involving the expenditure of money unless the Owner has sufficient funds available to cover costs. Agent shall not be responsible for loss sustained by the Owner for non-payment or late payment of any expenses when sufficient funds are not available.

5. Other Services: _____

6. Additional Services: Any additional services not listed herein, which Owner may request Agent to perform shall be by mutual agreement with appropriate compensation at a minimum of _____ per hour or _____% of total job cost.

(f) Security Deposits: Agent shall collect and hold security deposits on the tenant's behalf. The Security Deposit will be applied towards any balance due from the tenants as allowed in the Landlord Tenant Code. Agent will retain interest, if any, generated by the Security Deposit Account.

(g) Residential Landlord Tenant Code: Agent shall comply with the provisions of Hawaii's Residential Landlord Tenant Code concerning the rights, obligations, and remedies of landlords and tenants.

(h) Fees: Agent agrees not to collect or charge any undisclosed fees, rebates, or discounts. All fees charged to the owner must be specified in this Agreement. Late fees shall be retained by Agent or _____

(i) Mail: Agent may open and accept mail which is addressed to Owner in Agent care or at the Property address.

5. AGENT FEES AND EXPENSES:

a. Agent Fees: The Owner shall Pay Agent as compensation:

- 1. _____ % of the monthly gross income collected or \$ _____ per month.
- 2. _____ % of the monthly gross income for finding a new tenant (leasing fee/re-renting fee) or \$ _____ per new lease.
- 3. _____% of the monthly gross income for Lease Renewal or \$ _____ each renewal.
- 4. _____.
- 5. _____.

b. Insufficient Funds: Agent may bill the Owner directly or collect money from future rental proceeds if the funds in the account are insufficient to pay all fees and expenses for any given month. Agent shall not be obligated to make any advance payments or incur any liability for Owner's account.

BROKER'S INITIALS & DATE

OWNER'S INITIALS & DATE

Agent shall not be liable for loss sustained by Owner by reason of insufficient funds in Owner's account. In the event Agent shall advance its own funds for Owner's obligations, Owner shall promptly reimburse Agent such advances within _____ () calendar days of receipt of billing for such advances by Agent. Additionally, Owner shall pay interest at the rate of _____% per month for such funds advanced by Agent from the _____ day due date to the extent the advances remain unpaid.

6. OWNER DUTIES:

A. Minimum Balance in Owner Account: Owner shall maintain on deposit with Agent the sum of _____ dollars (\$ _____), which Agent may apply against authorized expenditures for the Property or for Agent's fee earned. If the balance in the Owner's Account is less than the Minimum Balance, the owner shall replace the funds or restore the deposit from future rental proceeds.

B. Inventory List: The Owner shall provide to Agent a complete inventory of furnishings and fixtures in the property.

C. House Rules/Manuals: The Owner shall provide one copy of all Association Rules/House Rules, and service contracts in effect at the property. Owner must provide any manuals, if available.

D. Keys: The Owner shall furnish _____ (three (3) if left blank) complete sets of keys to the property. If the property has additional security measures (i.e. key fobs, remote controls, etc.), then the Owner shall furnish _____ complete sets.

E. INSURANCE: Nothing in this Agreement shall be construed as rendering Agent liable for any act, omission, or occurrence resulting from or in any manner arising out of the performance of Agent's duties and obligations hereunder, or the exercise by Agent of any of the powers or authority herein or hereafter granted to Agent by Owner, or the use of any lease or rental agreement. At all times this Agreement is in effect, Owner, at Owner's expense, must maintain in full force and effect:

1. Fire and extended coverage for all casualties and hazards customarily covered by casualty insurance in the State of Hawaii for the full insurable value of the Property, containing endorsements that contemplate the leasing of the Property by Owner and vacancies between lease terms.

2. Liability insurance with a minimum coverage of \$ _____ naming Agent, as additional insured/additional interest. Note: Owner's Insurance should be consulted to determine this coverage.

3. If the property is in a condominium association, it is the owner's responsibility to confirm minimum insurance requirements. Example: loss assessment, condominium insurance deductible.

4. Within _____ () days from the effective date, Owner must provide Agent a copy of a certificate of insurance evidencing the required coverage. If the insurance coverage changes in the manner or degree at any time this Agreement is in effect, Owner must provide Agent a copy of the insurance certificate evidencing any change within _____ () days of the change.

5. Owner agrees to indemnify, defend and hold Agent harmless from all claims, investigation, and lawsuits by third parties related to Unit, and the management and leasing, whether occurring during the term of this Agreement or after its termination, and from any claim or liability for damage to property, or injuries or death of any person.

6. Agent shall not be liable for any willful neglect, abuse or damage to Unit by tenants, vandals, or others nor loss or damage to any personal property of Owner.

7. If at any time during or after the term of this Agreement, Unit is found to be contaminated with hazardous waste, Owner agrees to indemnify and hold Agent harmless from all claims, demands, actions, liabilities, costs, expenses, damages and obligation of any nature arising from or as a result of said hazardous waste. The foregoing indemnification shall survive the termination or expiration of this Agreement.

8. Owner shall save and hold Agent harmless on account of any damage to the Property or from loss of or damage to any furniture, fixtures and other articles therein and from any and all injury to any person or persons whomsoever, from any cause whatsoever, in or about said property.

9. Agent shall not be liable for any error of judgment or for any mistake of fact of law, or for anything which he may do or refrain from doing, except in case of willful misconduct or gross negligence.

7. SEX OFFENDER REGISTRATION ("MEGAN'S LAW): Hawaii has enacted a law requiring sex offenders to register with the Attorney General's office. Owner and Agent make no representation as to whether or not the public has access to this information. As per current Hawaii State law, neither Owner nor Agent is required to obtain information regarding sex offenders.

8. BINDING EFFECT: This Agreement shall be binding upon the parties hereto and their respective personal representatives, heirs, administrators, executors, successors and assigns. Should any Section of any part of this Agreement be rendered void, invalid, or unenforceable by any reason by any court of law, such a determination shall not render void, invalid, or unenforceable any other Section or any part of this Agreement. This Agreement embodies the entire understanding of the parties, and there are no further or other agreements or understanding, written or oral, in effect.

9. 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 of the premises and to take any action necessary to enforce compliance with such lease, including eviction of any tenant. This 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 Owner.

10. NOTICES: For purposes of routine and official notification, all mailed materials for the Owner or Agent will be sent to current address of record.

11. PROPERTY DESCRIPTION: _____

BROKER'S INITIALS & DATE

OWNER'S INITIALS & DATE

12. PROPERTY INFORMATION:

- 1. Type of Dwelling: Condo Townhouse House Apartment Building
- 2. Number of Rooms/units:
 - Bedrooms Garage/Carport (circle one)
 - Baths Open parking (stall(s) # _____)
 If apartment building:
 - Number of studios Number of one bedrooms
 - Number of two bedrooms Number of three bedrooms
 - Other: _____
 - Number of parking stalls for tenants
 - Guest parking
- 3. Keys - List Number and Description:

____ Door _____
 Example: Front, Security Screen, Storage, etc. Mail; Security; Garage Door Openers; Key Pad Code; Other _____

- 4. Appliance Warranties:
 - 1. _____ Model # _____
 - 2. _____ Model # _____
 - 3. _____ Model # _____
 - 4. _____ Model # _____
 - 5. _____ Model # _____
 Attach all warranties
- 5. Tenant or Owner to pay for the following services: Mark "T" for tenant & "O" for owner
 - Electricity Gas Yard Service
 - Water Sewer Cable Internet
 - Refuse Other: _____
- 6. Insurance:
 - Fire Insurance Company _____ Agent _____
 - Phone # _____ Policy # _____ Exp. Date _____
 - Liability Insurance Company _____ Agent _____
 - Phone # _____ Policy # _____ Exp. Date _____
- 7. Local person to notify in case of emergency:
 - Name: _____ Telephone: _____
 - Email: _____ Relationship: _____
- 8. Estimated date of re-occupancy by Owner: _____
- 9. Property Contacts:
 - Association Manager: _____ Telephone: _____
 - Resident Manager: _____ Telephone: _____
 - Security: _____ Telephone: _____
- 10. Misc: Existing problems or comments _____

13. ADDENDA: The following addenda (forms), if checked, are attached to and made a part of this Property Management Agreement. Fill in all blanks. Write "NA" if not applicable. Each attached addendum must be properly signed and initialed (as applicable).

- W-9 Federal Form
- Lead Based Paint
- Association Transfer of Privileges Authorization
- GET Authorization
- ACH Bank Authorization
- Association Authorization to receive notices/fines

14. OTHER TERMS: _____

15. ENTIRE AGREEMENT: This Agreement contains the entire agreement between the Agent and the Owner 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 Agent and the heirs, administrators, executors, successors and assigns of the Owner.

Signed this _____ day of _____, 20__ . Each party acknowledges receipt of a copy of this Agreement.

 BROKER'S INITIALS & DATE

 OWNER'S INITIALS & DATE

The complete Property Management Agreement has been Reviewed and Accepted by:

OWNER:

Owner Signature _____ Owner Print _____

Owner Phone # _____
Cellular # Business # Home # Fax #

Owner Email Address _____

Owner Signature _____ Owner Print _____

Owner Phone # _____
Cellular # Business # Home # Fax #

Owner Email Address _____

AGENT:

Agent's Signature (Principal Broker or Broker In Charge) _____

License Number of Company _____

License Number of Principal Broker _____

Company Name _____

BROKER'S INITIALS & DATE

OWNER'S INITIALS & DATE

Company Address _____

Company Phone Number (s) _____

Company Website _____

Company Email _____

BROKER'S INITIALS & DATE

OWNER'S INITIALS & DATE