

ATTACHMENT G
For Discussion & Review at SFC Meeting, June 17, 2021

RR301 – Rental Agreement

Comments February – March 2021

| | | |
|-----------|--|--|
| 1. | Item #1, Item #5, Item #8 and Item #9 | <p>line 1: property reference may be 1 line, instead of 2. line 5: Are you able to clarify again, why we decrease to 8%, instead of 10% , when the State of Hawaii legal maximum interest rate in Hawaii is 10%? Also, it is easier to calculate 10% vs. 8%. Please refresh why we changed it to 8%. Thank you. Line 8 - add an additional row with 2 lines. For example, if you are residing in a condominium or townhouse, you may receive: parking transmitter/fob, security entry key/fob, unit entry key, unit deadbolt key, mailbox key, parking tag, and sometimes a separate amenities key. Line 9: HUD recognizes only 2 types of animals for disabilities: service and assistance animals. By definition: What Is an Assistance Animal? An assistance animal is an animal that works, provides assistance, or performs tasks for the benefit of a person with a disability, or that provides emotional support that alleviates one or more identified effects of a person's disability. An assistance animal is not a pet. https://www.hud.gov/program_offices/fair_housing_equal_opp/assistance_animals#:~:text=An%20assistance%20animal%20is%20an,animal%20is%20not%20a%20pet . A support animal or comfort animal is a sub-category of an assistance animal. Not all animals that individuals with a disability rely on meet the definition of a service animal for purposes of ADA. According to the U.S. Department of Housing and Urban Development (HUD), an emotional support animal is any animal that provides emotional support alleviating one or more symptoms or effects of a person's disability. Emotional support animals provide companionship, relieve loneliness, and sometimes help with depression, anxiety, and certain phobias, but do not have special training to perform tasks that assist people with disabilities. Emotional support animals are not limited to dogs. An emotional support animal, sometimes also referred to as a comfort animal, is a pet that provides therapeutic support to a person with a disability, normally a form of mental illness. To be designated as an emotional support animal, the pet must be prescribed by a licensed medical practitioner or professional for a person with a disability. Both types of animals (therapy and comfort assistance animals), typically work in situations where stress levels are high. Comfort animals work during active crises. They offer a calming distraction to those impacted in an active disaster or emergency. Therapy animals provide people with healing contact, typically in an institutional or clinical setting, to improve their physical, social, emotional, or cognitive functioning. While these types of animals receive extensive training and may interact with all sorts of people, including an individual with a disability, they are not trained to perform a specific task for an individual with a disability. Individuals with a disability may use and interact with working animals for a variety of reasons. But, for service animals, mostly dogs, though there are horses, monkeys and cats who have received specialized training to perform a specific task or tasks for an individual with a disability are considered service animals. This is the key difference between a service animal and all other types of working (assistance) animals, including therapy, comfort animals, and emotional support animals. I recommend that we replace support animal with Assistance animal. Thank you for your volunteerism and hard work for reviewing our documents.</p> |
| 2. | Item #2 | what does the change in section 2 from "mailing address" to "occupants" imply? we lose the field, & we can add children etc here? |
| 3. | Item #2 | 2. TENANTS: "OCCUPANTS" In what occasions, will this be filled? Based on the agreement, no occupants are allowed. |
| 4. | Item #2 | I am in favor of keeping the tenant's mailing address line instead of replacing it with Occupants (?). |

ATTACHMENT G
For Discussion & Review at SFC Meeting, June 17, 2021

| | | |
|-----|---------------------------------------|---|
| 5. | Item #2 | Is it possible to add more lines under #2, "Tenants?" There room for up to 4 tenants and many rentals has more than that. Thanks! |
| 6. | Item #2 | I don't agree removing the preferred mailing address as tenants may have a PO BOX. We typically add "occupants" after their name. For instance Jane Doe - occupant. There is no need for a occupant section under tenants. Keys: Items were narrowed down to 4 lines, I recommend 6 lines. Some properties have locker keys, storage room keys, pool cover keys, wine keys room keys, bedroom keys etc. This has been bothering me for since the last edit. |
| 7. | Item #2 and format of document | Aloha, I do NOT understand why OCCUPANTS are replacing PREFERRED MAILING ADDRESS. Now days, many tenants are renting post office boxes more and more because they are more secure and why would we change this to OCCUPANTS, when we already have lines for TENANTS. If that many people are living in a unit, then maybe an addendum is more suitable. I know this doesn't have to do with the Rental Agreement, but can we please have a look at shortening the property condition form or at least have a check-in and a check-out column so we have to deal with a minimum amount of pages? I have a 2 page document that I use that fits perfectly for my 2 bedroom, one bath apartment building, yet my property manager insists on us using 22 pieces of paper for one unit (11 when they check in and 11 when they check out since there is only one line for comments, hence one line supports the check in process and you need a whole other set when they're being checked out.) THIS SHOULD ALL BE ON ONE FORM SIDE BY SIDE. |
| 8. | Item #2 and Item #3 | #2 Tenants. What does occupants mean? What would we list.. minors? #3 - Pro rate rent for... if we are supposed to enter dates, the line is a little too short. And could you add "due on _____". We collect full month then pro rated rent on the 1st of the following month. I am not sure how we would fill this out to reflect our payment requirement. |
| 9. | Item #2, Item #3 | What is Sect 2 crossing out "preferred mailing address" & replacing with "occupants" about? Why is occupant different from a tenant and why don't we want to know a preferred mailing address? Sect 3 - what is the point of adding the proration at the end? Isn't the prorated rent, if any, collected at the beginning of the lease term anyway? Now it seems like it will need to be "paid to landlord at:..." |
| 10. | Item #2, Item #8 | I would like the preferred mailing address left since on multiple unit properties we have tenants get a PO Box and a lot of the already have them. #8 talks about paying for keys. On Maui, judges have rejected request for locks or keys not returned. Their reasoning is that the Landlord is responsible for the safety of the next tenant. Cards, pool keys, remotes can be charged to the tenant if not returned. Not sure what is meant by "Occupants" where the preferred mailing address was. |
| 11. | Item #2 and Item #8 | 2. "Occupants" is unclear- does that mean all persons in the unit/property under the age of 18 that are not signing the lease? 8. "Tenant is responsible for replacement costs of items listed above" is too vague/unclear. Does that mean if the items are lost? or because LL is going to re-key at end of rental period? This could be interpreted many ways. Possibly a better statement might be: Tenant is responsible for replacement/repair costs of lost or damaged items above. 9. Pets. "Pursuant to Hawaii law, misrepresentation of a service animal may result in civil fines AND SUBJECT TO TERMINATION (add). Comment: For future revisions addition of a smoking/non-smoking/no-vaping in unit or on premises section would be helpful. thx. |

ATTACHMENT G
For Discussion & Review at SFC Meeting, June 17, 2021

| | | |
|-----|---|--|
| 12. | Item #2, Item #10, Item #9 | The listing of occupants is a good change. The part about not using the unit for short term rentals becomes redundant. The pet paragraph almost suggests filling in an amount for a pet deposit. Causes confusion. The fine part is a good addition |
| 13. | Item #2, Item #3, Item #8, Item #12 and Section 15B, #10 | <p>(Comments noted below are verbatim from a PDF Rental agreement marked up and emailed to us from member)</p> <p>Please leave mailing address, we may need to get PO Box I suggest,</p> <p>Mailing Address: <input type="checkbox"/> Use this property address or <input type="checkbox"/></p> <p>Occupants: Additional Occupants (i.e. minor & dependents) Tenant are Occupants. Below for 3. This change is great. FYI more and more owner are shifting the GE Tax to Tenant, we currently collect it from the tenant at 4.712% and it need to be listed separately. Right now we type in "\$1,000.00 + current GE Tax" after the \$ sign and then list the actual current amounts under 10. (i.e. \$1,000.00 = \$47.12 GE Tax = \$1047.12) It needs to be option if added.</p> <p>TENANT must pay to LANDLORD, - Shorten to stay on line with LANDLORD</p> <p>Tenant is responsible for replacement costs of items listed above BELOW and am missint the extra two line below that where removed last time. Maybe three across?</p> <p>(highlighted) <input type="checkbox"/> Inventory</p> <p>There shall be no advertisement no operation of vacation, nor and/or</p> |
| 14. | Item #3 | <p>Don't like the new "Prorated rent...." sentence added to the end of line 3 of paragraph 3. Rent. It implies prorating the 1st month's rent if the rental start does not begin on the 1st of a month, which may be contrary to what most property managers do. I believe most PMs collect the maximum rent and security deposit allowed up front under Hawaii's Landlord/Tenant Code, which is a full 1st month's rent and security deposit equal to one month's rent. Makes for a better qualified tenant with less likelihood of getting burned by a new tenant who pays a low prorated 1st month's rent and intends not to pay the full 2nd month's rent. So regardless of the rental start date, we prefer to collect the maximum Rent & SD allowed up front and prorate the 2nd month's rent so that all subsequent rents are due on the 1st of each month thereafter. This is an example of my clause used in paragraph 10. Special Terms: '1st month's rent for the period 3/8/21 - 4/7/21, equal to one month's rent, is due upon signing this agreement. The 2nd month's rent, prorated based on a 30day month, for period 4/8-30/21 (23days@\$37.67/day) = \$866.33 shall be due on April 1, 2021.' So rather than force a prorate 1st month rent, the sentence should be revised to account for a full 1st month rent and the rental period it covers, and prorate the 2nd month.</p> |

ATTACHMENT G
For Discussion & Review at SFC Meeting, June 17, 2021

| | | |
|-----|--|--|
| 15. | Item #3, Item #10, Section E1, and E4, Item 4, Item #9 and Item 15B, para. 10 and Receipt box on Page 7 of 5. | <p>SECTION 3. RENT: please consider the following changes: Pro-rated rent for _____ () days of the [] beginning month or [] following calendar month in the amount of \$_____ is due by date: _____ time: _____. REASONING: We collect a full 30 days rent in advance (at time of execution of rental agreement or just prior to starting the check-in inspection procedure) because per the terms of the HAR Property Management Agreement – We currently add a line in section 10. Special Terms that specifies the prorated rent due for the following calendar month so having this on pg 1 would be a time saver and very clear to tenants. Related to initial amount of rent received, I have a question regarding PMA Section E-1 Agent Fees (b) a specific percentage or flat rate is charged to the owner for finding (placing) a tenant. PM brokerages may elect to collect prorated rent at the beginning of the rental agreement (either tenant does not have adequate funds or as a promotional value). If the initial monthly gross rent is prorated does that mean the owner/client is charged the (b) % of that initial amount of pro-rated rent? An client/owner could reasonably argue that point and the PM is shorted what would be (b) % of the full 30 day gross rental amount. I believe the word FULL MONTH’S GROSS RENT should appear in paragraph (b). Also in PMA Section E-1 Agent Fees (a) The following month's prorated rental income is charged the ongoing maintenance rate (%). Logically (chronologically) E-1 (b) should be at the top of the list of charges as that is the first to occur when a tenant is placed (not “found”) and the monthly regular fee should be second on the list: (a) tenant placement % or flat fee (b) ongoing maintenance rate or flat fee (c) renewals is chronologically correct Back to the RENTAL AGREEMENT - SECTION 4. 4. LATE CHARGE AND OTHER CHARGES: In addition, interest at _____ () % per [] YEAR or [] MONTH will be charged on REASONING: The State Tax Office charges interest on amounts due at the beginning of each calendar month: “In general, penalty and interest are assessed at the same rates for all State taxes. ... A penalty for failing to file a return by the due date is assessed at the rate of 5% of the unpaid tax due for each month or part of a month the return is late up to a maximum of 25%” This fee schedule is adopted by the State so it is a standard practice and would therefore be considered fair dealing. Last but not least, if calculating interest by the “YEAR” does that mean on a 360 day prorated schedule? Would 10% YEAR rate mean a daily rate of 0.00333? SECTION 9. PETS - Pet Deposit to be used solely for damage caused by the pet. This places an unreasonable burden on the Landlord to prove that damages were pet related. Section 15 STANDARD TERMS: (B) TENANT’S RESPONSIBILITIES paragraph 10 “TENANT will be subject to termination” I think you meant to state... 'and Rental Agreement will be subject to early termination.' Termination of a Tenant sounds too aggressive (Landlord becomes the Terminator). On Page 7 of 5 - RECEIPT: Please consider a larger vertical space for the last line: Date _____ Received by: _____ There is ample unused space just below. Thank you in advance for your consideration and for your time and dedication to improving the forms.</p> |
| 16. | Item #6 | I believe the Rental Term (paragraph 6) should come before Rent (paragraph 3), to establish the beginning and end dates up front. Tenants sometimes confuse the date in paragraph 3, as the start date of the lease. |
| 17. | Item #7, | Aloha. Additional language suggestions: Regarding Utilites and Services, Add specifically tree trimming service, pest control service and lawn sprinklers. Regarding Receipt by Tenant. Add HOA, rules and regs, CC&R's. since the tenant is responsible to adhere to such they should be in receipt of a copy. Regarding alterations and/or maintenance. Add language that states tenant, with prior written approval of landlord and at the sole expense of tenant, may replace fixtures, appliances, blinds and hardware. Such pre-approved replacement items shall become property of landlord. Can language be added to specifically protect against overloading or hoarding? Thanks |
| 18. | Item #8 | #8 shouldn't it be "items listed BELOW" vs " ABOVE"? |

ATTACHMENT G
For Discussion & Review at SFC Meeting, June 17, 2021

| | | |
|-----|---------|---|
| 19. | Item #8 | Hi #8 on rental agreement – should it not read for items listed below?? Aloha, |
| 20. | Item #8 | The space for "items" is too small, as it only has 4 lines. We use this for keys, security fobs and such and need more lines. The previous version (11/17) had 8 lines, which was sufficient. |
| 21. | Item #8 | paragraph 8. confusing. ...items listed above??? or should this be items listed below. paragraph 10. advertising. no advertising including political advertising |
| 22. | Item #9 | RE: Pet clause Can you fine & terminate a tenant who brings in a service of support dog without prior written approval? I think you need to clarify what happens if that is the case vs. a tenant bringing in a non-service or non-support animal without prior approval. |
| 23. | Item #9 | this is great but I think service/support animal needs to be more clearly defined as I do not believe "emotional" support dogs are considered service dogs and do not have to be allowed, |
| 24. | Item #9 | 1) "Pet deposit only for damaged caused by the pet" This should not be so specific. I can see Tenants claiming they did the damage not their pet and demanding the pet deposit be returned in full. 2) Adding "occupants". This is good. I can use it to add the Minor children on that line. |
| 25. | Item #9 | Regarding pet deposit...can the pet deposit also be used for damage caused by visiting pets? If so, can the wording reflect this? |
| 26. | Item #9 | New agreement looks good. Can HAR put together a Service/Support animal addendum? They are not considered pets so the pet addendum does not apply even though they are responsible for the animal and any damage it causes. We can't collect a deposit and landlords are left hanging with a possible discrimination issue. This allows a landlord to have an agreement on file in case there are disturbance problems or worse so termination of a lease is possible. Mahalo |
| 27. | Item #9 | Just as there is a provision for fines for animals that are not approved by landlords there should also be fines imposed for unauthorized occupants. |

ATTACHMENT G
For Discussion & Review at SFC Meeting, June 17, 2021

| | | |
|-----|--------------------------|---|
| 28. | Item #9 | Isn't there a difference between a Service versus a Comfort animal? "Service animals are working animals, not pets. The work or task a dog has been trained to provide must be directly related to the person's disability. Dogs whose sole function is to provide comfort or emotional support do not qualify as service animals under the ADA.Feb 24, 2020" Putting the two words together may condone automatic acceptance from landlords. |
| 29. | Item #10, Item #9 | re: vacation rentals, it should be up to landlord and tenant, ie. if a tenant is renting a 3br house and wishes to do vacation rentals on the other 2 bedrooms and landlord agrees, then let them, this does not violate the new STVR bill because it would be a "hosted" vacation rental. Re: discrimination, it should be clarified if its a shared rental or not, ie. in the 3br house scenario, I believe a landlord who also lives in the home can discriminate ie "women only" or "no children under 12" etc. that needs to be clarified and put on the form. Finally, if familial status is protected then having a pet should be protected as well. If one cannot charge an extra deposit for young children who often do more damage than well behaved pets, then it should be illegal for a landlord to charge a pet deposit on top of a regular deposit. Furthermore, why should pet owners be discriminated against but not people who have young children ? We need to do more as realtors in Hawaii to ensure responsible healthy pet ownership and part of that is making sure there are available rentals for tenants who own responsible pets. This is a huge problem and one of the reasons so many pets get dumped at our local shelters, its heartbreaking just bc tenants cannot find a rental that will allow pets. It should be more encouraged for well behaved tenants who own pets to be able to find a rental and not be forced to have the dogs outside on a chain. Thank you |
| 30. | Section #15 B. | Please add "abandoned or unregistered vehicles" to 15. B. Tenant Responsibilities 3. Hazardous Waste and Toxic Substances. |
| 31. | Section 15B, #10 | B10 Change the order of the last 2 sentences, then change to "Any fines levied as the result of this Violation shall be paid by the Tenant." NUMBERING: Change to 1 of 8, 2 of 8, and so on. |
| 32. | Section 15B, #10 | 15. STANDARD TERMS: B. TENANT'S RESPONSIBILITIES: 10. No Subleasing or Additional Occupants. Delete: Guests may not stay longer than fourteen (14) days without written approval of LANDLORD. Add: Guests are not allowed unless approved by LANDLORD. |
| 33. | | New Rental Agreement looks good to me!! |
| 34. | | The changes look good and helpful. |

ATTACHMENT G
For Discussion & Review at SFC Meeting, June 17, 2021

| | |
|-----|--|
| 35. | I Like it. Got the more important info upfront 1st page. Good job |
| 36. | looks good to me, THANKS! |
| 37. | The changes to the rental agreement are very useful. Thanks for a job well-done.... |
| 38. | I like it! |
| 39. | Good topic additions. There's no coverage on smoking/ non-smoking rentals. Should that be covered as well? |
| 40. | All good. |
| 41. | Changes are ridiculous! |

DRAFT