

# PROPERTY MANAGEMENT AGREEMENT

(Long Term Leases/Rentals)

**THIS AGREEMENT**, by and between: \_\_\_\_\_ (hereinafter called "Owner") and **Walt Flood Realty**, a Hawaii sole proprietorship (hereinafter called "Agent"), wherein the parties hereby agree as follows:

**AGENCY.** Owner exclusively appoints Agent to rent, lease, operate, and manage on the owner's behalf the property located at: \_\_\_\_\_

**Property Name:** \_\_\_\_\_ **Unit #:** \_\_\_\_\_

**TERM.** This agreement shall be for an initial period of twelve months beginning on: \_\_\_\_\_, and shall be automatically renewed for successive one year terms thereafter. However, either party upon sixty (60) days written notice may terminate this agreement. Termination of this agreement does not invalidate any existing rental agreements made by Agent on Owner's behalf. Upon termination, Owner shall continue to be responsible or shall cause to be completed all obligations or expenses incurred hereunder by the Agent. In the event this agreement is terminated, or the property is sold, the Owner shall honor all confirmed leases (Rental Agreements).

**RESPONSIBILITIES OF AGENT.** Agent agrees to and shall:

(a) Complete an initial property inspection and prepare a condition report of the unit. If necessary, make recommendations to Owner and prepare unit for occupancy.

(b) Use its best efforts to promote unit for rent and be diligent in the management of the property.

(c) Advertise the rental unit in the local newspapers, bulletin board, and on the Internet. Provide the invoice(s) from the media, pay the charges and pass on the cost to the Owner, on the monthly proceeds statements.

(d) Collect all rents for property and deposit same in a special trust account in an insured financial institution authorized to do business in the State of Hawaii. Owner understands and agrees that all funds may be placed in an interest bearing account and the interest shall accrue to the benefit of the Rental Agent.

(e) Provide Owner with a monthly statement of income and expenses for the property. To the extent there are amounts available for distribution to the owner; agent shall distribute the amount to the owner or as owner may direct.

(f) Contract for services and authorize expenditures on Owner's behalf for housekeeping and regular maintenance. Agent shall obtain prior written approval from Owner for any expenditure in excess of Three Hundred Dollars (**\$300.00**) except for what the Agent shall in its best judgment consider an emergency

**RESPONSIBILITIES OF OWNER.** Owner agrees to and shall:

(a) Allow Agent to establish rental rates for the property.

(b) Provide Agent with Owner's General Excise Tax License.

(c) Provide Agent with Owner's U.S. Federal Tax Identification number or Social Security number.

(d) Provide Liability Insurance coverage for the property with **minimum** limits of \$300,000 for bodily injury and \$25,000 for property damage to others. The Agent shall be named as additional insured and shall be furnished with a copy of the insurance policy and a certificate of insurance.

**AGENT'S FEES.** Owner is advised and agrees to pay the following:

A fee of twenty percent **(20%)** of the gross revenues for management services for the first month of the Lease.

A fee of ten percent **(10%)** of the gross revenues for management services for the second month and until the end of the long-term lease.

A minimum charge for administration and accounting, at **\$20.00/month**.

A fee of ten percent **(10%)** on the total charge for repairs, upgrades, restorations, and maintenance.

A fee of **\$35/hour** to schedule repairs, upgrades, renovations, replacement of appliances, carpets, curtains, drapes, and/or to escort the contractors, repairpersons, technicians and handymen.

**AGENCY START-UP FEE.** Upon the execution of this Agreement, the Owner shall pay one hundred fifty dollars **(\$150.00)** to the Agent as a non-refundable start-up fee. The Agent shall use such fee to pay initial administrative expenses of including the premises (property) in its rental program, to conduct a complete inventory of all furniture and furnishings in the rental unit, to produce a condition/inspection report of the premises, appliances and contents, and to pay other sums initially required for the performance of its duties under this agreement.

Plus, the Agent will assess/charge the Owner the Hawaii Gross Excise tax **(4.712%)** on all the above fees, commissions and charges.

**DISCLAIMER OF GUARANTEES.** The Owner understands and agrees that Agent has made no guarantees (written or verbal) of occupancy or income levels for the property.

**HOLD HARMLESS.** The Owner agrees that Agent shall not be liable for any claim for loss or injury to any person or property located on the property subject to this agreement, except for loss or injury caused by Agent's gross negligence or wilful misconduct, and Owner shall hold Agent harmless and indemnify Agent for any such claim or liability.

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

SIGNED in duplicate this \_\_\_\_\_ day of \_\_\_\_\_, 2010.

Both parties acknowledge receipt of a copy of this Agreement.

**OWNER:** \_\_\_\_\_

**AGENT: Walt Flood Realty**

By: \_\_\_\_\_  
It's Owner

By: \_\_\_\_\_  
It's Principal Broker

Date: \_\_\_\_\_

Date: \_\_\_\_\_