

RENTAL MANAGEMENT AGREEMENT

AGENT: Property Profiles Inc.
98-030 Hekaha Street #26
Aiea, Hawaii 96701

OWNERS: _____ SS# _____
_____ SS# _____
_____ SS# _____

MAILING ADDRESS :

GENERAL EXCISE TAX LICENSE # _____

ADDRESS OF PROPERTY:

OWNERS ARE RESPONSIBLE FOR FILING THEIR OWN GENERAL EXCISE TAXES. 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 FORM 1099 MISC. STATING THE AMOUNT OF RENTS COLLECTED, SHALL BE FILED WITH THE HAWAII DEPARTMENT OF TAXATION.

RENTAL MANAGEMENT AGREEMENT

In consideration of the provisions herein contained,
_____, herein after called "OWNER" and
PROPERTY PROFILES, INC., hereinafter called "AGENT" agree as follows:

A. AGENCY: The Owner hereby appoints and employs the Agent exclusively to lease, rent, operate, and manage the real property, hereinafter called the "UNIT" as described in "EXHIBIT A" attached hereto and made a part of this rental management agreement, made and entered into this _____ day of the month of _____, 20____ and upon the terms and conditions hereinafter set forth.

The Unit includes the furnishings listed in the inventory per Exhibit A, subject to Agent's verification and acceptance thereof. Owner shall notify Agent of any changes in inventory.

The Agent hereby accepts such appointment and employment and agrees to furnish Owner with the services needed for the rental operation and management of the Unit.

B. DUTIES OF AGENT:

1. Rentals and collections: During the term of this management agreement, the Agent shall use their best effort to obtain renters for the Owner's unit, agent shall investigate carefully all references provided by prospective tenant to collect all rents and deposits, follow up on any past due rents, coordinate any court proceedings with Owner's attorney for any evictions, and coordinate any collections with any collection agency.

Agent will execute any lease agreements with tenants, prepare an inventory and condition form before each new tenant moves into the Unit, and will coordinate any repairs to upkeep the Unit.

2. Security Deposits: Agent shall collect and retain security deposits on tenants' behalf, to be used to replace or repair items damaged by tenant, applied toward cleaning of the premises chargeable to the tenant, refunded to tenant or disbursed to Owner, as Agent may reasonably determine. Deposits shall be held in a Client's Trust Account with a federally insured banking institution located in Hawaii. Any interest accrued from such account shall be credited to the Agent.

3. Distribution of Income: The Agent shall deduct from the gross rental income received (including default fees), Agent's commissions, and reimbursements for repairs, payments made on behalf of the Owner by Agent, and any authorized expenditures or expenses. To the extent there are amounts available for distribution, Agent shall distribute the remaining amount to the Owner, or as directed by Owner.

(2)

In the event disbursements for expenditures exceed receipts of gross rental income, Owner shall, upon notification by Agent, promptly remit to Agent the amount necessary to cover such deficit.

Agent shall not be held liable for any losses or penalties due to nonpayment or late payment of expenses. Agent shall retain any bounced check fees collected from tenant.

4. Insufficient Funds: Agent shall not be obligated to make any advance or incur any liability of Owner's account. Agent shall not be liable for loss sustained by Owner by reason of nonpayment or late payment of any expenses.

5. Accounting: Agent shall prepare and distribute monthly to Owner (by the 20th of each month) prepared statements on a "Cash Basis". Agent shall then remit rental proceeds less operating expenses to Owner. Agent shall also provide Owner with a copy of bills or invoices for any expenses deducted.

At the end of each calendar year, Agent will file a 1099-MISC. form with the Internal Revenue Service and with the Hawaii State Tax Department, informing said agencies as to the amounts of gross rental income collected on behalf of the Owner, and provide a copy of the 1099-MISC. form to the Owner for tax purposes. A year-end statement with a twelve-month breakdown of income and expense will also be provided.

6. Unit Inspections: Agent shall do periodic inspections of the Unit and notify Owner whenever maintenance or corrective action becomes necessary.

7. Legal Action: Agent is authorized by Owner to evict tenant(s) from Unit if tenants do not keep up their promise per the rental agreement. The Agent shall inform the Owner of any default by the tenant, shall advise the Owner of the need to proceed with legal action to evict, work with Owner's attorney through the eviction process, appear in court as Owner's Agent, and follow up with the collection process.

Owner shall be responsible for all legal expenses, court cost and cost of collection. (Note: If the court allows, some of these expenses may be charged to the tenant).

8. Service Contracts: Agent shall arrange for all utility services necessary for the property operation and protection of the property and any such other services, as Agent shall deem advisable.

9. Additional Services: Any additional services not listed herein, which Owner may request Agent to perform, shall be by mutual agreement with appropriate additional compensations at a minimum of \$150 per hour.

(3)

10. Landlord-Tenant Code: Agent will perform duties and actions taken under this rental management agreement in accordance with the Hawaii Landlord-Tenant Code, (Hawaii Revised Statutes, Chapter 521, and other laws and regulations of the City and Count of Honolulu, Hawaii State Government, and Federal Government)

C. DUTIES OF THE OWNER:

1. Keys, House Rules, Inventory list: Owner shall provide Agent with three (3) complete sets of keys to the Unit. Agent may duplicate keys as needed in order to rent the Unit or replace worn or damaged keys as necessary. Agent is given authorization to pick up special security keys for Unit and to charge any deposits to the Owner.

Agent is authorized to re-key or change door entry locks, as deemed necessary in order to provide security to the Unit.

Owner will provide Agent with one copy of the current House Rules, if any, or any other set of rules and regulations that would be of importance for the tenant to abide by, and provide an inventory list of furnishings and appliances, if applicable.

2. Indemnification: The Owner shall indemnify, defend, and hold harmless, Agent from and against any and all claims, demands and damages, (including but not limited to claims, demands, and damages for breach and interference with contracts or for personal injury, wrongful death, or property damage or for loss or theft of property, or for any asbestos material related claims related to the premises) by reason of any cause whatsoever when Agent is acting within the provisions of this Agreement or acting under the direction of the Owner, and the Owner will reimburse Agent for all costs and expenses including attorney's fees, paid or incurred by Agent in connection with the defense of any such claim or demand.

The Owner shall indemnify, defend, and hold Agent harmless from and against any and all claims, demands and damages arising from the acts or omissions of the Owner's employees. Without limitation, the provisions of this paragraph will survive the termination of this Agreement. Nothing contained in the Article shall require Owner to indemnify Agent or defend or hold Agent harmless from any claims or actions resulting from acts or omissions which constitute gross negligence or willful misconduct on the part of Agent, its officers, directors, employees and agents or which are outside the scope of Agent's authority, responsibility, or duties hereunder.

3. Insurance: The Owner shall obtain and maintain a comprehensive general liability policy naming Property Profiles, Inc. as an additional insured. Amount of liability must be a minimum of \$300,000 and medical payment to guests, a minimum of \$2,000 per person/occurrence. Copies of the policy and certificates of insurance must be provided to Property Profiles within one week of acceptance of this agreement. It is further recommended that each owner obtain and maintain a Fire policy of the premises. If the property is a condominium or townhouse, coverage for contents and improvements belonging to the landlord and fair rental value equal to one year's rent loss should be included.

4. General Excise Tax: Owner will secure a Hawaii General Excise Tax License and provide Agent with the Excise license number. Owner must file his/her own gross income taxes as stated on first page of this agreement and provide Property Profiles, Inc. with a copy of the annual report by January 31, one month after the calendar year.

5. Owner's Participation: Owner shall determine the lease terms, rent amounts, shall review prospective rental applications in selecting tenants, and shall take an active role in managing the unit.

6. Contact Information: Owner shall provide and keep current all contact information, including home, business and cellular telephone numbers and email addresses.

7. Authorization of Proxy: Owner shall authorize a local contact residing on Oahu to make financial decisions in the event the owner is not available – this will be for emergency situations.

D. AGENT'S FEES:

1. Management commissions: A management fee equal to 10% of the gross receipts and collections shall be charged and deducted each month.

A re-renting commission of an additional 10% (total 20% of stated monthly rent) shall be assessed each time Agent has to find a new tenant for the property. This fee shall not be assessed when Agent renews leases with existing tenants. The re-renting commission will be assessed no more than two times per calendar year.

E. EXPENSES:

1. Owner authorizes Agent: The Agent will be allowed to accrue and make disbursements from the gross rental income, all expenses that are necessary to upkeep the unit and keep it rented. Such expenses may include, but are not limited to:

- a. Rental advertising
- b. Cleaning premises, including minor repairs, window washing, rug shampooing, extermination and other customary services Agent may consider necessary to maintain high standards
- c. Repairs and replacements as Agent may consider necessary or advisable (Agent agrees to seek prior approval of Owner on all expenditures in excess of \$250 for any one item, except monthly or recurring operation charges and/or emergency repairs deemed necessary by Agent) Agent shall get authorization from owner for expenses in excess of \$250.
- d. Long distance telephone communications with Owner
- e. Any late fee penalty to be shared equally between Property Profiles, Inc. as agent and owner.

NOTE: Owner agrees that Agent shall not be held liable for any late payments, late fees, penalties, or fines.

F. TERM OF THIS AGREEMENT:

1. Period and Notice: The term of this agreement shall be for a minimum of one (1) year from the date of this agreement. Thereafter, this Agreement shall automatically continue unless terminated by the Owner or by the Agent upon 60 days prior written notice. Should there be any additions or changes to this Agreement, a new Agreement shall be in effect upon the acceptance and signature of both parties. Upon the termination of this Agreement, Agent shall mail to owner a closing statement within thirty (30) days of that date.

2. Termination Fee: If Owner chooses to terminate this Agreement before the minimum period or before the agreed upon date of termination, Owner shall pay to Agent the full management fees Agent would have received for the remaining duration of this Agreement.

3. 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.

G. MISCELLANEOUS

1. Entire Agreement: This Agreement contains the entire agreement between the Agent and Owner and may be modified only in writing and signed by both parties. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Agent, and the heirs, administrators, executors, successors, and the assigns of the Owner.

2. Default: If either party shall default in the performance of any material aspect of this Agreement and such default shall continue for thirty (30) days after written notice from one party to the defaulting party designating such default, the party not in default may terminate this Agreement at any time thereafter upon ten (10) days written notice to the defaulting party.

3. Notice: For purposes of routine and official notification, all mailed materials for the Owner or Agent will be addressed as shown on the cover page.

4. Condemnation and Acts of God: If for any reasons the premises are condemned by any governmental authority, or damaged through fire, acts of God, nature or accident this agreement shall terminate as of the date of such condemnation, damage or destruction.

5. Other terms: _____

I (we) have read the above Agreement and have received a copy.

Owner Date

Owner Date

Residence phone # _____ Bus. # _____

Email: _____ Bus. # _____

Email: _____

Property Profiles Inc. (Agent)

Rental Agent Date

Name of Authorized Proxy

Residence phone # _____ other ph: _____

Email: _____

Relationship to owner: _____

EXHIBIT A

PROPERTY DESCRIPTION

Please fill in the following information:

1. **Type of dwelling:** ___ Condo ___ Townhouse ___ House ___ Apartment Bldg

2. **Number of rooms/units:**

___ Bedrooms ___ Garage/Carport(circle)
___ 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. **Interior condition and inventory:**

Carpet color? _____. Date last cleaned? _____.

Condition? _____. Any drapes or blinds? _____.

Condition? _____

Overall condition of the property? _____. Any problems we should know about?

Appliances:

Range (Brand name) _____ Model # _____

Refrigerator (Brand) _____ Model # _____

Disposal (Brand) _____ Model # _____

Washer (Brand) _____ Model # _____

Dryer (Brand) _____ Model # _____

Dishwasher (Brand) _____ Model # _____

Air cond. (Brand) _____ Model # _____

Misc. _____ Model # _____

Inventory (list here or on a separate sheet) _____

Appliance Warranties:

1. _____ Expiration _____

2. _____ Expiration _____

3. _____ Expiration _____

4. _____ Expiration _____

5. _____ Expiration _____

• **Attach all warranties**

4. **Tenant/Owner to pay for the following services: Mark "T" for tenant and "O" for owner.**

Electricity _____ Gas _____ Yard Service _____

Water _____ Refuse _____ Other _____

5. **Keys:**

___ Door keys ___ Deadbolt keys ___ Storage keys

___ Security keys ___ Mailbox keys ___ Parking cards,

___ Misc. keys _____

6. **Insurance:**
Fire Ins. Co. _____ Agent? _____
Phone # _____ Policy # _____ Exp. Date _____
Liability Ins. Co. _____ Agent? _____
Phone # _____ Policy # _____ Exp. Date _____

7. **Misc.:** Existing problems or comments _____

Owner: _____ Date: _____
Owner: _____ Date: _____

8. **Estimated date of reoccupancy of Owner:** _____

9. **Local person to notify in case of emergency:**
Name and address: _____
Telephone: _____ Relationship: _____

Email: _____