

# Woodstock Properties, Inc. Property Management Contract Addendum

Property Reference or Address: \_\_\_\_\_ (the "Unit")

The following are additional terms for each section of the Property Management Contract referenced below:

1. **Section A: Authority and Appointment:** During the term of this Agreement, Owner shall not authorize any other person to negotiate or act as rental agent with respect to any leases for Unit.
2. **Section C: Term:** In the event this Contract is terminated by Owner prior to the expiration of its term for any reason other than to sell, trade, or to occupy the property on a permanent basis, Owner shall pay the Agent all management fees which would be collected by the Agent during the remaining period of the existing tenant's rental agreement or two (2) month's management fees, whichever is greater. In addition to the foregoing, if Owner decides to withdraw the Unit prior to initial leasing, Owner shall be liable for and shall reimburse to Agent all accumulated expenses incurred by Agent in performance of duties pursuant to this Agreement including but not limited to advertising, repairs and cleaning. If this should occur within 90 days of the start of the Contract Owner shall also pay to Agent a cancellation fee of five hundred dollars (\$500.00). Said expenses and fee are due and payable no later than 30 days from the date Owner notifies Agent of Owner's intent not to rent the Unit.
3. **Section D-5 (e): Agent Duties: Additional Services:** The Property Management fee covers Agent's responding to the normal maintenance issues caused by wear and tear issues, If the Unit needs extensive painting, flooring replacement, termite tenting, cabinet and/or countertop replacement, landscaping, etc. we consider these to be renovations and not maintenance. Additionally, the extensive repairs required as a result of damage from leaks, floods, sewage back-ups, asbestos abatement, fire and other catastrophic events is likewise not considered maintenance. Agent will not be responsible for coordinating work for the Unit that is not maintenance work. If Agent agrees to coordinate non- maintenance work, to offset the additional man-hours required Agent will charge a 10% fee on the cost of these renovations and/or "special" projects.
4. **Section D-5 (g): Agent Duties: Management Services Not Included:** Agent's services do not include monthly inspections, representation at court hearings, depositions, homeowner meetings, providing on-site management, property sales, refinancing, preparing Unit for sale or refinancing, supervising and coordinating modernization, rehabilitation, fire or water or major damage restoration projects, obtaining income tax, accounting or legal advice, advising on proposed new construction, debt collection, and counseling. If Owner requests Agent to perform services not included in normal property management or as specified above, Agent may decline or may charge a fee of 10% of the invoices for the project.
5. **Section D-5 (h): Agent Duties: Normal Wear and Tear Defined:**
  - A. According to Hawaii State Law, "Normal wear and tear" means deterioration or depreciation in value by ordinary and reasonable use but does not include items that are missing from the dwelling. Owner acknowledges and affirms having read this paragraph explaining "normal wear and tear" as defined by Hawaii State Law and further agrees that Agent shall not charge tenants and/or otherwise deduct from Unit's security deposit to cover normal wear and tear. Repair and maintenance costs for normal wear and tear will be charged to Owner. For the purposes of this agreement, Agent DOES NOT consider the following items as normal wear and tear: Moly fasteners/screws/nails installed in walls, carpet cleaning, extreme traffic wear of carpet, torn, burned, or stained carpet, pet deodorizer, general cleaning, blind cleaning/repair/replacement, window cleaning (other than 2<sup>nd</sup> floor), replacement of expired light bulbs, replacement of smoke detector batteries, repainting due to smoke/candle damage, broken toilet tanks, replacement of air conditioner filters, or ripped or marked wallpaper.
  - B. Owner agrees to hold Agent harmless and shall make no claim against Agent for any act, omission, or breach of duty by any contractors or suppliers retained by Agent to maintain or repair the Unit.
6. **Section E (e): Agent Fees and Expenses: Minimum & Additional Fees:**
  - A. Owner agrees that Agent's minimum compensation shall be \$100.00 per month. Said \$100.00 minimum fee does not apply when Unit is not occupied.
  - B. Owner agrees to pay an annual fee of fifty (\$50.00) dollars for administrative costs (automatically deducted in the month of September). C. An annual fee of fifty (\$50.00) dollars to file owner's State of Hawaii General Excise Tax (GET) returns.
  - D. Owner agrees that if Unit is furnished, there will be an extra charge to Owner of \$250.00 at any check-in or check-out of either Owner or a tenant. (Check-in and check-out for tenant = \$250.00 x 2; check-in and check-out for owner = \$250.00 x 2).

\_\_\_\_\_  
Initials      Initials      Date

E. When advertising the Unit for rent, Agent will advertise online. Owner agrees to pay one hundred fifty (\$150) dollars each time unit is rented. If owner requests additional advertising, such as in print media, broadcast TV, etc., owner agrees to reimburse Agent for these additional costs.

F. All fees payable to Agent include the 4.5% State of Hawaii General Excise Tax (GET). In the event the tax rate is increased, it is mutually agreed that Owner shall pay a dollar amount equal to the tax increase in addition to the existing fees.

7. **Section F-8 Indemnification (d):** Force Majeure - In no event shall the Agent be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services, it being understood that the Agent shall use reasonable best efforts which are consistent with accepted practices in the Real Estate-Property Management industry to resume performance as soon as practicable under the circumstances.
8. **Section F-9 Owners Duties: Enforcement of Lease:** Agent shall have authority on behalf of Owner to terminate any lease or rental agreement covering Unit that is in default, to execute and serve such notices as Agent deems appropriate for the purpose of evicting tenants in default and to recover possession of Unit, to recover unpaid rents and other sums due from any tenant and to settle, compromise and release claims by or against any tenant. Owner agrees that Agent is not responsible for the collection of delinquent accounts. Owner waives any claim against Agent for monies that are not collected from any tenant and for any damages or costs related to the tenancy and Unit. Owner releases Agent from any claims whatsoever relating to Owner's personal property left by Owner at Unit.
9. **Section F-11 Owner Duties:** Except as specifically stated in this Agreement, Owner shall directly pay all costs related to the Unit. Without limiting the foregoing, Owner shall be responsible for paying Owner's monthly mortgage payment, Homeowner and Condominium Association fees and special assessments, leasehold rent, property tax, premiums for insurance relating to Unit, general excise tax if they so choose and any other fees and dues applicable to Unit.
10. **Section I-3 Binding Effect:** Severability - If any provision of this Agreement is held to be unlawful, invalid or unenforceable under present or future laws effective during the term hereof, such provision shall be fully severable and this Agreement shall be construed and enforced without giving effect to such unlawful, invalid or unenforceable provision. Furthermore, if any provision of this Agreement is capable of two (2) constructions one of which would render the provision void and the other which would render the provision valid, then the provision shall have the meaning which renders it valid.

Date	Owner Signature	Owner Name (print or type)
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Date	Owner Signature	Owner Name (print or type)
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Date	Principal Broker or Broker-in-Charge Signature
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**Owner Acknowledges receipt of an executed copy of this Addendum to the Property Management Contract:**

Owner's Initials	Date
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