



Why Aloha Kai Properties LLC?

When you are choosing a Vacation Rental Management company, its important to consider the strengths of a local firm with history and reputation for excellence. Our in-depth knowledge and experience make our property management company one of a kind in our state. We have been managing Vacation Rentals in Paradise for over 24 years and we have lived in the Islands for all of our lives. We are here to offer world travelers their dream vacation!

Experience

Deborah D. Sharp®, also known as “AlohaDebbie”, started vacation rental management over 23 years ago. She obtained her real estate license in 1981, and went on to become a broker in 1985. In 1995, she began vacation rental management because one of her oceanfront clients insisted that she handle their newly acquired beachfront property at Waialea Bay on the Big Island. She expanded the business to over 30 rentals.

With a collection of selective properties, they started a "boutique" vacation rental business in Puako, near Hapuna Beach and expanded to the Resorts and Kohala Coast area on the Big Island. Similar to a “Boutique Hotel”, they focused on offering vacation beach homes in a comfortable, intimate, and welcoming setting, but also offering luxury amenities, and personal “aloha style” service. Debbie realized that her unique collection of vacation properties distinguished them from others in the vacation rental market. Debbie decided to slow down and subsequently sold AlohaDebbie Properties in 2016. Her 38 year reputation in real estate has earned her the respect of many.

The Vacation Rental Home concept has since spread throughout the world. They are sprouting up everywhere! Websites such as VRBO and AirBnB have successfully entered into the billions dollar industry, but most companies and travel sites are relatively new to this business, 5 to 10 years at the most, yet Debbie and a few others started it all in Hawaii!

Our luxury properties are one-of-a-kind and managed by the best possible quality service. Our professional operations are highly specialized. We know what we are doing!

Sophisticated Software

Our reservation software was a custom program created specifically for the Hawaii market. Before there were any vacation rental software programs on the market, Debbie designed her own. She had already written a real estate software program which was promoted by one of the lead educators and real estate attorneys in Hawaii.

The vacation rental program she designed is powerful, customized software and it manages everything from the housekeeping schedules to guest care. It is user friendly and has the ability to store extensive information on the properties, manage guest services and communications, as well as, provide a database of history and analytics. Our reservations and confirmations are generated in seconds upon receipt of an inquiry and provide the traveler with all the information necessary to streamline their arrival and check in.

PROTECTING YOUR HOME

Damages

Our housekeepers are trained to notice and immediately report any damage that occurs during a guest stay. They send photos of excessive uncleanliness or something in need of repair. Aloha Kai Properties LLC will arrange maintenance for time-sensitive repairs that total less than \$250 and deduct those costs from the monthly statement. We will notify owners of any damage and communicate with you if necessary repairs total more than \$250. The guests will be charged when they are clearly responsible for the damage.

Guest Screening

We take great care to make sure the guests we invite into your home are respectful and considerate. Our reservationists are trained to screen any suspicious guests while taking a booking. We look out for weekend reservations with a full house of adults who are local residents, guests who have difficulty making the required payment, reservations made with college email addresses and inquiries that seem to lack the maturity we associate with a normal reservation transaction.

Our reservation system requires:

- ✓ 90 days advance payment in full. (However, VRBO and Airbnb have their own policies)
- ✓ 25% down-payment if 90 days or more in advance of occupancy.
- ✓ House rule agreement required for confirmation.
- ✓ Cash security deposit to be used for damages, excessive cleaning or missing items (held in our trust account)

Damage deposit

In order to maintain a simple booking process and to secure more bookings for each of our homes, we require a “credit card guaranty” in our confirmations and house rule agreements. Our housekeepers and management teams conduct inspections between each guest stay to identify the party responsible for any damage. This process makes it easy to address any issues with photo documentation. Our house rule agreement stipulates the following:

- ✓ The maximum number of people to occupy your home including children.
- ✓ Pets are not allowed.
- ✓ Guests must be 25 years or older and have a major credit card.
- ✓ No smoking is permitted inside.
- ✓ No parties or weddings are allowed, or loud disturbances.
- ✓ No tents may be erected on the property.
- ✓ Renter is liable for any damage to the property and agrees to accept charges to the card on file should damage occur.
- ✓ Damage insurance is also available
- ✓ Adults are responsible and liable for all persons under the age of 21.
- ✓ Owners and Aloha Kai Properties LLC are not liable for any injuries in a body of water, both the ocean and the pool, if there is one.

Insurance Liability

We want to protect the safety of your investment as much as we want to protect the safety of the guests who enjoy your home. Our managers will work with you

personally to evaluate your home with a discerning eye and provide suggestions to prepare your home for guest use. We require all owners to present a declaration of their homeowner's insurance for our records and ask that they maintain a comprehensive liability insurance policy with a minimum amount of \$1,000,000 that specifies Aloha Kai Properties LLC as an additional insured. In the case of rare and extraordinary events, we refer to your insurance policy, as it is intended to protect you from these unusual situations.

Cancellation Policy

Aloha Kai Properties LLC requires full payment within 90 days of arrival because it is too difficult to rebook other renters within that time frame to Hawaii. Flight availability and reasonable air fares affect our ability to rebook on short notice.

If a reservation is cancelled due to death in the family, or a major illness or medical reason, we will hold the rent as a credit for one year. On a case by case basis, we may issue a refund for compassionate reasons. Our "aloha spirit" policy keeps people coming back.

Cancellation Policy Continued

We encourage Trip Protection insurance to our guests, which is available through VRBO and other travel websites.

VRBO cancellation policy is different than ours and they will refund full rent payments prior to 60 days of arrival.

AIRBNB cancellation policy is even less strict. They will issue a 50% refund within 30 days of arrival, in which case, our reservation desk will hustle to get a new replacement booking! Unfortunately, we are subject to the Airbnb policy on their "free advertising". They do provide us with a lot of bookings and their flat rate 3% fee of each reservation is less than a credit card fee! Cancellations are rare and so far we have only had a few.

GUEST SATISFACTION

Aloha Kai Properties LLC

We have the following surveys in every home to help us gauge what aspect of our service they particularly enjoyed and where we can improve. If they do not fill it out, we send it by email after their departure. Our survey asks the guests to provide feedback:

Aloha,
We would like to thank you for choosing Aloha Kai Properties LLC for your vacation home. We hope that you enjoyed your stay. We are always looking for ways to improve our services. If you would be willing to complete this survey, we would greatly appreciate your feedback.

The Staff
Aloha Kai Properties LLC

- Was the house (or condo) more or less than you expected?
- Was the house (or condo) clean enough?
- Was the house (or condo) well equipped and well maintained?
- Did you find everything you needed?
- Were the directions adequate and the check in and check out instructions clear?
- Was the staff at Aloha Kai Properties friendly and professional?
- Were they responsive to your needs, concerns or special requests?
- Do you have any comments about our confirmation policies?
- Would you rent from us again?
- Do you like our website?
- How can we improve?
- Any other comments?

Would you like to give some feedback for our website on this property, so that other potential customers have a guest rating? (we will post your comments anonymously)

Thank you for taking the time to respond to our survey!

We use insights from these surveys to increase future bookings and deliver a higher level of service to our guests. In addition to surveys, we encourage all guests to write a full review of their experience. We post reviews our website

Reviews

and encourage guests to post them on VRBO and other listing sites. Reviews are an essential part of our marketing strategy. People are much more likely to book future stays in homes with excellent reviews.

We take our reviews seriously. We are always looking for ways to improve. Keeping a close eye on our guests during their stay also helps us improve our service by taking care of a potential problem ahead of time. We don't want to hear about it after they leave! We check to see how the guests are doing and if they need anything. Sometimes they are ready to rent bikes or kayaks and we can assist them with that or any of our concierge services.

Concierge Services & Island Activities

We have great resources for everything a guest needs to enjoy their vacation in Hawaii:

- ✓ Kayak rentals
- ✓ Bike rentals
- ✓ Snorkel gear, body boards, SUP board rentals
- ✓ Babysitters
- ✓ Baby gear – cribs, high chairs, etc.
- ✓ Concierge services for island activities, luaus, zip lines, tours, etc.
- ✓ Private chefs, catering
- ✓ Massage therapists

GUEST FEES

Aloha Kai Properties LLC

The following fees are collected by Aloha Kai Properties LLC when a guest books a stay in your home. We will include the cleaning fees, and both state taxes, to your Owner Net Rent check each month.

- ✓ Cleaning fee – cleaning fees vary based on the size of the home, age of the home and other factors. Cleaning fees are now taxed.
- ✓ GE (General Excise) taxes are added to the rental amount and paid by the guest. This is 4.439% of the total rent.
- ✓ TAT (Transient Accommodation Tax) taxes are added to the rental amount and paid by the guest. This is 10.25% of the total rent.
- ✓ Guests may also be charged for any damaged, broken or missing items.

MAINTENANCE

Handymen & Contractors

Reliable, trustworthy handymen are essential to handling home upkeep and maintenance. To ensure that all maintenance is handled professionally in a cost-efficient manner, we use a skilled and qualified handyman when the cost of the repair is less than \$1000. For specialized repairs, Aloha Kai Properties LLC has established a network of locally licensed and insured contractors for plumbing, electrical and other needs. As a local resident for 42 years and established in real estate for 38 years, we have developed strong relationships with local service providers. These providers work with us directly to assist in the upkeep of our homes. We know whom to call, when and how to work within an appropriate budget. We are frugal and cost effective.

Our local team of contractors includes handymen and women, appliance technicians, electricians, hot tub repair persons, pool service providers, landscapers, carpenters, roofers, plumbers, AC specialists, building contractors.

Unexpected Maintenance

As we know, homes can require unexpected minor repair. In the case of repairs, general maintenance is billed to the owner. Owner-expensed repairs include, but are not limited to: appliance repair or replacement upon malfunction, electrical malfunctions, plumbing issues, and replacing worn items (towels, sheets, vacuums, rugs, upholstery, bed spreads, pillows,

kitchenware, pots and pans). Essentially, owners are responsible for items considered necessary for the general safety and comfort of the guest. Owners are not responsible for such expenses in the event of guest misuse. Aloha Kai Properties LLC will charge and collect repair or replacement costs from the guest when appropriate. It is our intention to ensure the general comfort and safety of our guests in emergency situations. However, in non-urgent and non-emergency matters, expenses greater than \$200 are brought to the owner's attention for prior approval. In an emergency for health or safety, Aloha Kai Properties may spend up to \$500 without the owner's consent, but every effort will be made to consult with the owner on all emergency repairs/replacements.

Spring Cleanings and Other Maintenance

Oceanfront properties are subject to a lot of salt spray. Windows must be cleaned every few months. In addition to departure cleaning, other detailed cleanings are necessary, such as: detailed cleanings of drawers, cupboards, organizing of linen closets, pantries and garages. Carpets must be steam cleaned on a regular basis. Couches must be steam cleaned as needed. Coconut trees must be trimmed every 6 months. Other trees must be trimmed back as needed. Irrigation systems need regular maintenance and upgrades. Decks exposed to the weather must be stained and sealed on a regular basis. Patio furniture needs to be pressure washed, painted or replaced from time to time. Hawaii weather is hard on things!

Renovations During Owner Absence

Occasionally our owners need to undertake a remodeling project or landscaping renovation while they are off island. The Aloha Kai Properties LLC management team is happy to oversee these projects and provide frequent photo documentation and progress reports to the owner. We can even "facetime" while onsite! Owner must advance the funds necessary for these projects if there is not sufficient rental revenue. Aloha Kai Properties LLC will charge a "project fee" for renovations, landscaping improvements or decorating projects which require us to facilitate and oversee. The fee will be determined by a mutual agreement between Owner and Manager and shall be in writing.

Owner Expenses

We ask that owners cover the following expenses inherent in home maintenance. The asterisked utility services below should be set up by the owner's on an "auto-pay" system. The others can be paid from the owner's rental revenue.

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|-------------|------------------|-------------------------|
| ✓ Internet* | ✓ Phone service* | ✓ Trash pick-up service |
| ✓ Electric* | ✓ Pest control* | ✓ Yard maintenance |
| ✓ Cable* | ✓ Pool service | ✓ AC maintenance |

Incidental Expenses Covered by Aloha Kai Properties LLC

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|--------------|----------------|---------------------------|
| ✓ Batteries | ✓ Welcome Book | ✓ Orchids & arrival gifts |
| ✓ Lock boxes | ✓ Pads & pens | ✓ Keys & key rings |

Housekeeping

There is a certain pleasure intimately connected to our idea of a vacation: the scent of freshly laundered linens, the glisten of appliances, natural light through streak-free glass, squeaky-clean floors under bare feet and soft towels. These luxuries are the reason guests choose a vacation rental as a place to create new memories, and this is why a dedicated housekeeping team is at the heart of any successful vacation rental.

Housekeeping Systems

It's important to us that all homes are held to the same high standard of cleanliness. To this end, we've created simple and effective systems, which include the following:

- ✓ Cleanliness rating system collected from each guest after their stay.
- ✓ Housekeeping inspection before each arrival
- ✓ We have a detailed "clean freak" check list for each home (copies available).
- ✓ Close relationships with our housekeepers and motivational systems for quality.
- ✓ Supply checklists to insure homes are adequately stocked prior to each guest arrival.
- ✓ Regular manager walk -throughs

Housekeeping Contractors

Aloha Kai Properties LLC is proud to provide its Housekeeping Vendors with a highly competitive wage while keeping cleaning fees in line with industry norms. We prefer to have independent contractors because they stay motivated for their own business to succeed. Employees have a tendency to get complacent!

Supplies Provided for Each Home Arrival

We prefer to drop-ship these supplies from Amazon directly to your home, if you have a storage area.

- | | | |
|--------------------------|-------------------|----------------------|
| ✓ Paper Towels | ✓ Toilet Paper | ✓ Dish sponge |
| ✓ Laundry Detergent | ✓ Dishwasher pods | ✓ Dishwashing liquid |
| ✓ Kitchen trash bags | ✓ Bar soap | ✓ Liquid hand soap |
| ✓ Small trash can liners | ✓ Coffee Filters | ✓ Kleenex |
| ✓ Shower gel | ✓ Shampoo | ✓ Conditioner |

Supplies Charged to Owner as Needed

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|-----------------------|--|-------------------|
| ✓ Barbeque lighters | ✓ Dish towels, pot holders | ✓ Linens - towels |
| ✓ New rugs & doormats | ✓ Propane for the BBQ (plus delivery and hook up, if needed) | |

Guaranteed Success

Marketing

Without a strong marketing strategy, even the best homes can miss out on superb booking opportunities:

- ✓ We have our fingers on the pulse of the market ! We know where the action is!
- ✓ We are very progressive and aware of the market trends and a step ahead of our competitors.
- ✓ Hawaii State Laws – We are up-to-date with the current and new laws concerning this industry in the State of Hawaii. There is a law which went into affect January 1, 2016 that will impose high fines for any owners or property managers who are not in compliance at the rate of \$500 per day for the first offense, \$1000 per day for the second offense and \$5000 per day for subsequent offenses. In order to protect the consumer, the State is going to get tough on off island property owners who manage their vacation rental. It is not legal to do this and there must be a local agent. They are also going to be sure that owners are paying their Transient Accommodation Taxes and they must have their license number posted in the unit, as well as, on every internet ad. Not understanding our State laws and abiding by them, could be an expensive mistake.
- ✓ New travel websites – We find the ones that work and produce bookings.
- ✓ Repeats and Referrals – We have a database of thousands of guests that we keep in contact with by emailing newsletters and other promotional material. A huge part of our success is really due to “word of mouth” over time. Our visitors go home happy and tell others what a great time they had!
- ✓ Reputation – We have long term experience and we are known as top notch professionals. We give quality, personal and professional service with the “Aloha Spirit” and that’s what people are looking for!
- ✓ Social Media – Facebook and Instagram

OWNER FEES & START UP COSTS

- ✓ Our current management fee is 20% of the gross rent before taxes. Net rent checks and monthly statements are issued by the 15th of the month for the previous month.
- ✓ Credit card fees – MasterCard, Visa and American Express are accepted for reservations for quick and secure payment of the rental amounts. Our merchant credit card service changes from time to time, but fees right now are 2.9 - 3%.
- ✓ VRBO advertising – this cost is approximately \$499 per year for their basic ad. VRBO credit card fees are 3% and higher for international cards.
- ✓ Airbnb charges a flat hosting fee of 3%, but no credit card fee, on each reservation, so the advertising is free.
- ✓ Professional photos are a start up cost and it runs about \$1000-\$1200 and that includes staging and props (flowers, fruit, beach gear, etc.)
- ✓ A professional You Tube Video – costs \$500-\$650 (This can be waived)
- ✓ Your home must be fully equipped, furnished and decorated attractively to meet our standards. We will inspect and make recommendations. See the section on decorating.
- ✓ Quality sheets and towels to equip your home for full occupancy and allow for “back to back” bookings. We recommend high thread count 100% cotton sheets for guest comfort and longevity of the sheets.
- ✓ Laundry fees - when there is not sufficient time to wash and dry all the sheets and towels (Hapuna Laundry or the Housekeeper)
- ✓ If you don't have one yet, a GE and TAT license, which costs \$25 and can be purchased online. We recommend a bookkeeper we use who will charge a \$25 monthly fee to file with the State of Hawaii.

Other suggested items to make your home comfortable and adequately equipped:

- ✓ Beach gear – assorted boogie boards, snorkels, etc.
- ✓ Beach chairs – we like the Tommy Bahama ones from Costco. There should be enough chairs for each occupant.
- ✓ Beach towels – one for each person
- ✓ Mosquito coils and repellent
- ✓ Sunscreen
- ✓ Shampoo & Conditioner in pump style bottles
- ✓ Coffee
- ✓ Condiments



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