

## EXCLUSIVE MANAGEMENT AGREEMENT

This Agreement is made on the \_\_\_\_ day of \_\_\_\_\_, by and between Real-T-Properties and Associates, Inc., an Illinois corporation (hereinafter “The Agent”) and \_\_\_\_\_ (hereinafter “the Owner”).

The Agent and Owner for and in consideration of the mutual promises herein contained agree, each to the other, as follows:

1. Engagement: Owner hereby employs Agent to act as the exclusive management and rental agent for the property commonly known as \_\_\_\_\_ (hereinafter “the property”) which is more particularly described on the Information Rider attached hereto. Agent hereby accepts such employment all in accordance with the terms and conditions stated herein.
2. Term of Employment/Cancellation: The initial term of Agent’s employment is for a **1-year** period. Beginning on the first day of the first full year of employment of the initial term and thereafter, this agreement may be cancelled and terminated on the last day of any month, by either the Agent or Owner, upon sixty (60) days written advance notice. Unless sooner cancelled or terminated, this agreement shall automatically renew and be extended for successive twelve-month periods following the expiration of the initial term, subject to the right of cancellation on the last day of any month upon written notice as stated herein.
3. Exclusive Agency: Except as reserved to the Owner hereunder, the Agent shall be the sole and exclusive management agent for the property. All leasing and management services shall be conducted only by the Agent.
4. Owner’s Representations: Owner hereby represents to the Agent that (a) Owner has full authority to enter into this agreement and to fully perform the obligations of the Owner hereunder: (b) to the best knowledge of the Owner, there is no pending and unresolved violation imposed by any governmental authority or other public agency affecting the property or use thereof: (c) there are no pending and unresolved claims, suits or demands against the Owner or the property arising out of the ownership or use thereof: (d) the leases and service contracts listed in the Information Rider attached hereto are the only leases and service contracts presently in effect and that same are current and in full force according to their respective terms; and (e) if Owner has chosen to designate an Owner’s Representative in the Information Rider attached hereto, the Agent may deal solely with such representative and rely completely on such representative’s decisions in regard to the leasing and management of the property.

5. Leasing Services: Agent agrees to promptly advertise any vacant unit in the property, show units to prospective tenants, screen and investigate by obtaining a written credit report, the past tenancy and credit history of interested prospective tenants, and negotiate the final leasing arrangements. Agent shall also negotiate and finalize all lease renewals. Unless expressly agreed to in writing by the Owner, all leases shall be for a minimum term of one (1) year and shall require the payment of a one (1) month security deposit. Rents, late fees and notice fees shall be in accordance with the Owner's amounts agreed to in the Information Rider attached hereto, which amounts may be supplemented from time to time by written direction of the Owner to the Agent. Agent shall abide by all federal, state and local laws, ordinances and regulations relating to the showing and leasing of units to prospective tenants. The Agent's standard form lease agreement is attached hereto as Exhibit A and is expressly approved by the Owner including all riders hereto. All leases, service contracts and other agreements to be signed by Agent shall disclose the ownership of the property and be signed on behalf of the Owner only as an agent of the Owner.
  
6. Management Services: The Agent shall:
  - a) collect all rents, security deposits and other sums due from tenants and promptly deposit same to a client fund account, provided segregated account records are maintained for the property;
  - b) actively monitor the maintenance of the property and its common areas and make all necessary routine repairs and maintenance to keep same in a good, clean and habitable condition, subject to reasonable wear and tear;
  - c) pay all regular reoccurring utilities, fees, expenses for routine maintenance and repairs and service contract payments;
  - d) negotiate and enter into service contracts, or the renewals thereof, relating to landscaping maintenance, garbage disposal, snow removal, laundry facilities, janitor services, HVAC maintenance and the like, provided, unless same are authorized by Owner, same may be cancelled upon sixty (60) days advance written notice by the Agent to the service contractor;
  - e) handle all tenant inquiries, requests, complaints or other communications, it being understood that Agent will in good faith attempt to resolve same, but that, on occasion, same may not be accomplished due to the nature of the situation.
  - f) maintain, prepare and deliver to the Owner monthly statements of income and expense and remit, not later than the fifteenth (15<sup>th</sup>) day following the close of any monthly period, the net income in excess of the working capital reserve agreed to between the Agent and Owner stated in the Information Rider attached hereto. Agent also agrees to provide year-end profit and loss accounting complications for income tax purposes on or before January 31, following the close of the calendar year.
  - g) account for and return, if applicable, tenant security deposits when a unit becomes vacant by lease expiration or otherwise.
  
7. Compensation: Owner agrees to pay the Agent for its leasing and management services the amount of Nine (9%) percent of the gross receipts collected monthly. For purposes of this agreement gross receipts shall include monthly rents, late fees and other sums due from tenants, but shall not include notice fees, which shall be charged as a management expense. In addition, owner agrees to pay the Agent for any new lease of a vacant unit, a rental commission of one month's rent. All sums due the Agent shall be charged and paid monthly at the time monthly remittances are made to the Owner.

8. Owner's Responsibilities: The owner shall:
- a) pay all annual and special real estate tax assessments levied or confirmed against the property;
  - b) pay all mortgage or other lien encumbrances outstanding against the property from time to time;
  - c) maintain and pay the premiums for all hazard, public liability, rental protection or other insurance applicable to the property or its contents;
  - d) promptly approve or disapprove in writing all service contracts which are not cancelable as herein provided and contracts involving a major property expense either for improvements, maintenance and repairs or tenant unit restorations. For purposes of this agreement a major property expense is one involving a consideration in excess of the major expense limitations, stated in the Information Rider attached hereto, excepting however, emergency expenses which may be immediately needed to preserve the property, or its contents, or the health and safety of its occupants.
9. Tenant Defaults: In the event of a tenant default in the payment of rent or failure to abide by any other lease covenant or rule or regulation applicable to the property, Agent shall promptly take the necessary action to secure payment of the rental arrears or to remedy any other default. Necessary action shall include appropriate contract with the defaulting tenant to secure performance, serving required legal notices and authorizing the institution of legal proceedings to recover possession of the unit and obtaining a monetary judgment for the rental arrears and other sums due from the defaulting tenant. All costs and expenses incurred in prosecuting a legal action to recover possession and obtaining and monetary judgement against a defaulting tenant shall be borne as a management expense of the property. Owner understands that Agent is not a debt collection agency and has no further responsibility to pursue further collection activity against a defaulting tenant.
10. Notices: Any notice which either party is required or may desire to give or serve to the other party shall be in writing and may be personally delivered or sent by overnight courier, by facsimile transmission or by regular or certified mail addressed as follows:

To Agent:      Real-T-Properties and Associates, Inc.  
                    946 Ogden Avenue – Suite 3  
                    Downers Grove, Illinois 60515  
                    Attn: Anthony Zangler, Jr.  
                    Fax: 630-852-5637

To Owner:

Fax: \_\_\_\_\_

Either party has the right to designate a different address for itself by notice similarly given. Any notice sent by overnight courier shall be deemed delivered on the next business day. If sent by facsimile transmission, notice shall be deemed given on the same day if received by 5:00 p.m. CST If sent by regular mail, notice shall be deemed given on the fourth (4<sup>th</sup>) business day after deposit in the United States Mail with postage prepaid.

11. Miscellaneous:

- a) Time is of the essence of each provision of this agreement.
- b) This agreement shall extend to and be obligatory upon and insure to the benefit of the respective heirs, legatees, legal representatives, successors and permitted assigns of the parties hereto, whichever is applicable.
- c) This agreement contains the entire agreement of the parties, and all prior or contemporaneous agreements, understandings, representations and statements, oral or written are merged herein.
- d) No modification or amendment of this agreement or any waiver of any provision hereof shall be effective unless the same is in writing and signed by the party, against whom enforcement of such modification, amendment or waiver is sought.
- e) This agreement shall be governed by and construed in accordance with the laws of the State of Illinois.
- f) This agreement may not be assigned, except by the written consent of the Owner and Agent.
- g) If Owner consists of one or more persons or entities, then each such person or entity shall be jointly and severally liable for the obligations of Owner hereunder.

In witness whereof the Owner and Agent have signed this agreement the day and date first above written.

AGENT:

Real-T-Properties and Associates, Inc.

By: \_\_\_\_\_

Its: President

OWNER(S):

\_\_\_\_\_

**INFORMATION RIDER**

Property Location: \_\_\_\_\_

Property Index Number: \_\_\_\_\_

Property Description: \_\_\_\_\_

Owner(s) (Including Title holder of record):

1     Name: \_\_\_\_\_  
       Address: \_\_\_\_\_  
       Daytime phone: \_\_\_\_\_  
       Emergency phone: \_\_\_\_\_  
       Cell phone: \_\_\_\_\_  
       Fax: \_\_\_\_\_

2     Name: \_\_\_\_\_  
       Address: \_\_\_\_\_  
       Daytime phone: \_\_\_\_\_  
       Emergency phone: \_\_\_\_\_  
       Cell phone: \_\_\_\_\_  
       Fax: \_\_\_\_\_

(If more space is needed use additional sheets)

Owner's Designated Representative:

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Daytime phone: \_\_\_\_\_  
Emergency phone: \_\_\_\_\_  
Cell phone: \_\_\_\_\_  
Fax: \_\_\_\_\_

Existing Leases:

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Existing Service Contracts: \_\_\_\_\_

Rent Authority:

New leases from \_\_\_\_\_ to \_\_\_\_\_ per month.

Renewal leases from \_\_\_\_\_ to \_\_\_\_\_ per month.

Working Capital Reserve: \_\_\_\_\_

Major Property Expense Limitation: \_\_\_\_\_

Owner's Initials

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Agent's Initials

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