

FPM Property Management Inc.

"Building Relationships together"

FPM PROPERTY MANAGEMENT INC. RESIDENTIAL MANAGEMENT AGREEMENT:
(MINUS CASH MANAGEMENT)

Date : _____

This Agreement is entered into between _____ whose address is _____ and shall be referred to as the "Owner" and *FPM Property Management, Inc.* whose address is P.O. Box 9385, Naperville, IL.60567-9385 and shall be referred to as the "Agent".

1. Agency: The Owner employs the Agent to manage the Owners property located at _____ and commonly referred to as _____ and referred to as the "Property".

2. Duties of the Agent: In order to manage the Property, the Agent shall have the following responsibilities:

(a) The Agent shall employ, supervise, discharge and pay all employees or independent contractors who are required in the proper management and operation of the Property. The Agent shall pay all employees of FPM and fully complete all necessary Federal and State tax withholdings and payments of unemployment taxes and related taxes of FPM. The Owner shall be responsible to pay FPM for any employees that work on Owners property and Owner shall pay for any independent contractors who work on owner's property.

(b) The Agent shall purchase all necessary supplies for the proper management of the Property which may include utilities and insurance at the expense of the Owner – these expenditures shall be paid by owner prior to distributing owners draw per month..

(c) The Agent shall contract for or undertake the making of all necessary repairs and the performance of all other necessary work for the benefit of the Property including any required alterations to the Property. However, no expense shall be incurred for such matters in excess of _____ Dollars (\$_____) for any single item without the express consent of the Owner, except where required during an emergency. An emergency is defined as any event or occurrence that relates to the health, welfare or safety of the Tenants or the general public or is necessary to preserve the Property from material damage.

(d) The Agent shall perform all other necessary tasks and do all other things as required for the proper management, upkeep, and operation of the property as customarily performed by a managing agent of residential properties any expenses incurred will be paid directly by the Owner.

Initials _____ & Date _____

P.O. Box 9385 Naperville, IL. 60567-9385
E- Mail: mgmt@fpmpropertymanagement.com

Phone: 630-853-8370 Fax: 630-904-1956
Web site: www.fpmpropertymanagement.com

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(e) The Agent shall collect all rents and other income from the Tenants when such amounts become due and take all necessary steps to collect the rent and perform all reasonable acts on behalf of the Owner for the protection of the Owner and the collection of rent including the hiring of attorneys to evict and collect from Tenants at prices to be agreed upon any and all additional expenses incurred to be paid directly by owner. The Agent shall collect all additional charges other than rent associated with the Property if required by the Tenants Lease.

(g) The Agent shall maintain an Operating Account ("Operating Account") for the Property and shall deposit all rents from the Property into the Operating account and shall pay FPM property Management Fees and owners draw will be paid out of this account.

3. Payment to Owner: The Agent shall pay to the Owner the net income from the Property or a portion of the net income from the Property as directed by the Owner in the following manner after all expenses and fees have settled and been paid up to date payment will be issued to owner on or after the fifteenth day of the month or when funds are available after the fifteenth day of the same month rent has been collected.

4. Compensation of Agent: The Agent will deduct from the Operating Account the management fees prior to the Owner being paid, the greater amount of \$65.00 per unit per month or a sum equal to eight (8%) of the gross rents collected (excluding income received for real estate taxes and assessments, insurance, premiums, and common area maintenance charges that may be required to be paid by the tenant under its respective lease. The management fee shall be paid directly from the Operating Account by Agent on the Fifth day of the same month which rent is collected during the term of this agreement. If there are insufficient funds to cover the property management fees the owner is responsible to pay said fees by the 10th of the month.

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5. Duties of the Owner: The Owner shall provide the Agent with all documents in possession of the Owner which shall include, but not be limited to, a survey, building plans and specifications, if available, Tenant Leases, listing of security deposits (all security deposits are to be held by owner), a list of current service providers, and any other documents or information deemed necessary by the Agent to properly manage the Property.

6. Agent of Owner: All acts done by the Agent under this Agreement shall be done as Agent of the Owner and all obligations or expenses incurred shall be at the expense of the Owner. However, the Owner shall not be obligated to pay for any cost and expenses of supervisory services to be rendered by the Agent's employees, other than Agent approved employees or contractors who are engaged in the performance of duties imposed under this Agreement; the salaries, wages or other compensation of any officers, directors or employees of Agents; any expenses of Agents principal or branch offices except the authorized on-site office space in the property; Agents overhead or general expenses; and capital expenses of Agent, its subsidiaries and affiliates. All payments to be made by the Agent shall be made out of such funds as are available in the property Operating account. It is agreed that the Agent shall not and will not be obligated to expend its own funds for any payments which Agent is authorized to make under this Agreement.

7. Owner's Insurance: Owner agrees to have the Agent "FPM Property Management Inc. " named as an additional insured under Owner's comprehensive general liability policy insuring Agent only to the extent that it is functioning as a managing Agent of the Property and will provide a copy of Certificate at signing of contract.

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8. Agent's Insurance: Agent shall maintain comprehensive general liability insurance in the minimum amount of One Million Dollars (\$1,000,000.00) per each occurrence and One Million Dollars (\$1,000,000.00) in the aggregate, combined single limit for bodily injury, death, and property damage. Agent shall maintain on owned, hired and non-owned automobile liability insurance in the minimum amount of Three Hundred Thousand Dollars (\$300,000.00) per occurrence for bodily injury, death and property damage. Agent if requested in writing by owner shall provide Owner with certificates evidencing insurance coverage upon the execution of this Agreement and maintain in force thereafter. Agent shall notify the Owner within ten (10) days from receipt by Agent of Notice of modification or cancellation of any insurance coverage required by this Agreement.

9. Assignment by Agent: The Agent may not assign this Agreement without the prior written consent of the Owner which may be granted or denied at Owner's sole discretion.

10. Term: This Agreement shall continue for a period of one (1) year from the date of execution and shall be automatically renewed from year to year unless terminated by either party upon written notice to the other party not less than sixty (60) days prior to any expiration date.

11. Termination by Default: In the event the Owner fails to pay the Agent its management fee or fails to comply with any term, condition, or obligation contained in this Agreement to be performed by the Owner and the default by the Owner is not cured within twenty (20) days from receipt of a written notice by Agent detailing the default then the Agent shall have the right to terminate this Agreement at the expiration of the twenty (20) day period and shall be entitled to receive all compensation earned to date from the termination date. Further, in the event the Owner sells the property, files bankruptcy or a petition for bankruptcy is filed against the Owner or the Property is foreclosed upon or the Owner gives to a mortgage holder a deed in lieu of foreclosure or a receiver is appointed for the Owner then the Agent may terminate this Agreement by giving to the Owner thirty (30) days written notice and setting forth in the notice the date this Agreement shall terminate in these instances Agent shall still be compensated until the date of termination.

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12. Termination by Owner: If the Agent fails to perform any of the terms, conditions or obligations set forth in this Agreement and the Agent's default is not cured within sixty (60) days from receipt of written notice from the Owner, the Owner shall have the right to terminate this Agreement on the last day of the notice. Upon full and final payment to the agent, he shall deliver to the Owner all documents, papers, books, records, money, security deposits, and any other information or items associated with the Property. Further, in the event the Agent files bankruptcy or a petition for bankruptcy is filed against the Agent or the Property is foreclosed upon or a receiver is appointed for the Agent then the Owner may terminate this Agreement by giving to the Agent sixty (60) days written notice and setting forth in the notice the date this Agreement shall terminate.

13. Owner's Indemnity: To the full extent permitted by law, Owner shall defend, hold harmless and indemnify Agent and his contractors, subcontractors, employees and agents from any and all loss, claims, suits, demands, damage or expenses, including litigation costs and attorney's fees arising from any liability or claim brought against the Agent when carrying out its obligations under this Agreement or acting in accordance with express directions of the Owner. However, this indemnify provision shall not apply to any cost, liability, expense, loss, damage or attorney's fees which Agent may incur as a result of willful misconduct or active gross negligence. This indemnify shall not obligate Owner to defend, hold harmless or indemnify Agent from and against any liability or claim arising out of Agents use of any owned, non-owned, or leased highway vehicle.

14. Compliance Issues: The Agent shall notify Owner in the event that the Agent becomes aware that the condition of the Property or any part of the Property requires any major repairs, replacements or structural alterations or fails to meet the standards of any federal, state or local law, ordinance or regulation of which Agent has actual knowledge. Likewise, Owner agrees to notify Agent if he/she learns of a condition that needs repair. The Agent will take such action as may be necessary to comply properly with any and all laws, ordinances, orders or other requirements of any federal, state, county, or municipal authority having jurisdiction over the Property and affecting the Property. The Agent shall, after notification to the Owner, take such action as Owner deems to be necessary to comply with any and all laws, ordinances, regulations, or orders of any federal, state, county, or municipal authority having jurisdiction over the Property and affecting the Property.

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15. Notices: All notices given or required by this Agreement shall be sent by United States certified or registered mail or by receipted Federal Express delivery or other receipted overnight private carrier addressed to the Owner and Agent's attorneys Judd Lofchie, ESQ, 1585 Beverly Ct #129., Aurora, IL 60502 at the addresses set forth in this Agreement. Proof of the deposit of any such mail so addressed and with postage prepaid in the United States mail shall constitute a conclusive presumption of its receipt by the addressee as of three (3) days following its date of deposit in the mail or as of the next day if delivered by receipted overnight private carrier. General non-binding communication can be made through email and fax provided by owner and agent.

16. Modification: This Contract may not be modified, altered, or amended in any manner except by an Agreement in writing executed by all parties. Renewal and updating of Property leases originated by Chase Real Estate to be modified, rented out during the terms of this contract, Chase Real Estate will lease the property under the their normal listing terms.

17. Entire Agreement: This writing constitutes the entire Agreement between the parties. All prior oral or written agreements are hereby terminated.

18. Who is Bound: This Contract is binding upon the parties to the Agreement and to their representatives, heirs, successors and assigns.

19. DISPUTES and STATE LAW. The laws of Illinois shall govern this agreement and any dispute shall be submitted for Arbitration in either DuPage County or under the American Association of Arbitration and said arbitration shall be binding upon the parties. The prevailing party in any cause of action and arbitration shall be awarded its legal fees and costs. The parties acknowledge that they have read this Agreement and are executing this Agreement on the date set forth below.

OWNER:

Dated: ____/____/____

AGENT:

FPM Property Management Inc.
P.O. Box 9385
Naperville, IL. 60567-9385

Dated: ____/____/____

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