



Baird & Warner Residential Sales, Inc.

Baird & Warner Property Management

EXCLUSIVE PROPERTY MANAGEMENT AGREEMENT

THIS AGREEMENT is made this _____ day of _____, 20____, between BAIRD & WARNER RESIDENTIAL SALES, INC., an Illinois corporation, with its principal office at 120 South LaSalle Street, Chicago, IL ("Broker") and _____ ("Owner") of _____ (the "Property").

1. Employment of Broker and Designation of Baird & Warner Property Management.

Beginning on _____, and terminating on _____, Owner hereby employs Broker as the sole and exclusive management agent of the Property. Baird & Warner designates, and Owner accepts as Owner's legal agent to manage the Property, Baird & Warner Property Management ("Designated Agent"), members of which are Sales Associates affiliated with Company.

2. Scope of Services

The purpose of this agreement is for Baird & Warner Property Management to undertake the management of the Property and the letting of the same to third party tenants for owner, and to relieve Owner of the day-to-day details and responsibilities of management of said Property. Pursuant to this Agreement, Baird & Warner Property Management will undertake the following services with respect to the Property for the benefit of the Owner.

- (a) Baird & Warner Property Management will use its best skill and efforts to serve present tenants and obtain suitable new tenants for vacancies on the Property.
- (b) Baird & Warner Property Management will report to the Owner promptly all conditions at, on or about said Premises, which Baird & Warner Property Management becomes aware of and which, in the opinion of Baird & Warner Property Management, require the attention of the Owner.
- (c) Baird & Warner Property Management shall perform two physical property inspections per year.
- (d) Baird & Warner Property Management will take and process applications for rentals. All prospective tenants shall complete an application and Baird & Warner Property Management shall perform credit evaluation, criminal check, employment verification, previous rental verification (if applicable), and identity check. If an application is rejected, the applicant will be informed of the reason for the rejection noted thereon, and the application documentation will be kept on file for the period of one (1) year.
- (e) Baird & Warner Property Management may assist in preparation of a lease for the Property or may agree to undertake services under any existing lease. Dwelling leases will be in a form approved by Baird & Warner Property Management and will be signed by the Owner.
- (f) Baird & Warner Property Management will collect, deposit, and disburse all monthly rents and other income from the Property. Owner expressly agrees that Baird & Warner Property Management does not hereby guarantee the collection of rents.
- (g) Baird & Warner Property Management will serve notices to delinquent tenants on behalf of the Owner. If notice to delinquent tenants can't be made after two attempts, Owner authorizes the hiring of a process server at their expense. Baird & Warner Property Management will prepare all documentation to be delivered to the Attorney to start the eviction process.
- (h) The scope of services does not include the rendition of legal, financial, real estate, or other advice.

3. Duties of Owner.

Owner hereby agrees to;

- (a) Owner shall provide Designated Agent with fully executed disclosure forms as required by federal, state and local law and regulation.
- (b) Authorize the use of Designated Agent forms and shall allow Designated Agent to determine tenant penalties to compensate Designated Agent and/or Owner for any extra time and/or expenses accrued by cause of tenant.
- (c) Refer all inquiries regarding the Property to Designated Agent and shall notify Designated Agent of any repairs, additions, or maintenance needed or contracted.
- (d) Not rent or lease the Property to anyone without Designated Agent prior approval.
- (e) Not enter into an agreement with any other management company during the term of this Agreement. Provide Designated Agent with copies of existing leases or rental agreements related to the Property and tender any security deposits paid by existing tenants in the Property to Designated Agent.
- (f) Provide Designated Agent with all keys and access devices to the Property.
- (g) Not enter the Property, nor allow any third party to enter the Property for any purpose, whatsoever, during any time that it is occupied in the absence of reasonable notice to Designated Agent and scheduling by Designated Agent of an appropriate time for such entry.
- (h) Notify Designated Agent if Owner becomes delinquent in the payment of any mortgage or other encumbrance secured by the Property, property taxes, insurance, or association fees.
- (i) Authorize Designated Agent to contract for needed maintenance and repairs. These costs shall be the responsibility of the Owner. Be responsible for all costs associated with the maintenance and operation of the premises in accordance with the requirements of tenant leases and/or any federal, state or local law or regulations and to advance to Designated Agent such sums as may be necessary from time to time to pay such costs and expenses.
- (j) Owner agrees to hold Designated Agent harmless from any expenses due to legal fees including eviction and court costs and all utilities and services to said Property.
- (k) Authorize Designated Agent to make emergency repairs as required because of danger of life or property, habitability, or to comply with applicable local, state, or federal law. Designated shall notify Owner of such action appropriately. (example: no heat)
- (l) Provide funds to Designated Agent promptly upon Designated Agent's request for any cost or expense for which the Owner is responsible that Designated Agent, in Designated Agent's discretion, incurs on behalf of Owner, including but not limited to the costs of emergency maintenance, repairs, utilities, Designated Agent's service fees and reimbursements, court costs and attorney fees.
- (m) Provide receipts to Designated Agent for the following professional services prior to tenant taking occupancy; re-key all locks, carpet cleaning, house cleaning, dryer vent cleaning, and fireplace cleaning. If not complete prior to tenant taking occupancy, Designated Agent will arrange for services at Owner's expense.

4. Security Deposits.

Broker/Designated Agent shall collect, deposit, and disburse security deposits, if required, in accordance with the terms of each tenant's lease on behalf of the Owner. Security deposits will be deposited by Broker/Designated Agent in an account separate from all other accounts and funds, with a bank or other financial institution, whose deposits are insured by an agency of the United States Government. This account will be designated of record as "Baird & Warner Property Management Security Deposits" or by a name similar thereto sufficient to identify the same as an account solely for security deposits. Broker/Designated Agent shall be entitled to put money collected due to security deposits from other properties managed by Designated Agent in the Baird & Warner Property Management Security Deposit Account.

After this Agreement ends, Designated Agent will deliver to Owner the security deposit held by Designated Agent under an effective lease of the Property, made payable to the Tenant. Written notice will be sent to

both Tenant and Owner that notifies them that this Agreement has ended, the amount of Tenant's security deposit, Owner's and Tenant's contact information, and that it will be up to the Owner to have the security deposit signed over by Tenant, and that the Owner will now be responsible for the accounting and returning the security deposit upon the end of effective lease. Owner will hold indemnify and hold harmless Designated Agent and Broker from any claim or loss from a tenant or owner for the return of a security deposit. This covenant survives termination of this Agreement.

If the Owner's interest in the Property subject to this agreement are sold, conveyed, transferred, or otherwise exchanged, whether by written agreement or option or if foreclosure proceedings are instituted Broker/Designated Agent, may at its sole discretion return the security deposit held by Broker/Designated Agent to the tenant. Owner hereby authorizes and consents to the release of said security deposit, and will indemnify Broker/Designated Agent hold harmless from any and all claims or loss as a result of the return of the security deposit to tenant. This covenant survives termination of this Agreement.

5. Maintenance and Operation.

Owner authorizes Designated Agent to pay, at Owner's expense, all assessment, utilities, and other expenses necessary for the upkeep of the Property. Further, Owner authorizes Designated Agent to make ordinary repairs, replacements and alterations, provided that expenditures for any one item or repair, replacement or alteration shall not exceed the sum of \$500.00 with out prior written approval of Owner. The only exception where this does not apply is in the case of an emergency as outlined in Paragraph 3, item k. Any rebate or discount obtained by Designated Agent in connection with any such expenditure shall be for the benefit of Owner. The expenses related to preparing the Property for occupancy by a new tenant or to improve it for an existing tenant shall not exceed \$500.00 without the prior written approval of Owner. Baird & Warner Property Management will contract with qualified independent contractors to perform such work.

In addition, Owner agrees to fund a maintenance reserve account of not less than \$500.00 which funds Designated Agent shall use for the purpose paying expenses related to the maintenance and operation of the Property. Owner understands and agrees that if a deficit balance occurs, Owner has fourteen (14) days to bring the account up to the minimum balance of \$500.00. If Owner fails to do so, Owner authorizes Designated Agent to deduct the deficit balance from the next month's rent receipts and to deposit that amount in the maintenance reserve account. In the event vendor late fees accrue as a result of a deficit balance, Owner authorizes Designated Agent to pay such late fees from the maintenance reserve account.

6. Remission of Net Income.

Designated agent shall collect rents and other income from the Property promptly when such amounts become due and payable and deposit all such amounts in Broker's/Designated Agent's Management and Operating Account, which is an account in which receipts from the Property may be commingled with funds from other properties managed by Designated Agent for purposes of collections and disbursements. Designated Agent may withdraw from such bank account all disbursements which are to be made at the expense of Owner, including compensation of Broker as set forth in paragraph 7 of this agreement. Designated Agent shall render to Owner an annual statement of receipts and disbursements for the Property and pay each month to the Owner all net cash proceeds due Owner after operating expenses have been paid. Operating expenses may consist of, without limitation, association assessments, charges for maintenance service calls, utilities, maintenance expenses, parts and repairs, decorating charges, or municipality rental license fees. The parties understand and agree that nothing in this agreement shall be interpreted to impose on Designated Agent or Broker any liability for the payment of any such expenses from their own funds.

7. Compensation of Agent.

Owner shall pay Broker compensation as follows:

- (a) For management of the Property, 10% of all rent and other income received from the Property, said fee to commence _____;

- (b) For any lease to a new tenant, a fee equal to the first month's rent, plus a \$50 administration fee of the initial lease term up to (1) one year, and 8% of any lease term beyond (1) one year.
- (c) For any renewal or extension of an existing lease upon the expiration of the lease term, a fee of 3% of the gross rent.
- (d) Upon termination of this Agreement pursuant to paragraph 10, Owner shall recognize and name Broker and Designated Agent as the finder on any pending negotiations for a new lease or a renewal or extension of an existing lease and in the event of a consummation thereof shall pay Broker a fee as set forth in this paragraph 7.

8. Indemnification and Insurance.

Owner shall indemnify and hold Broker and Designated Agent harmless from all claims, lawsuits, causes of action, loss, damage cost, or expense, including reasonable attorneys' fees, incurred by Broker and Designated Agent in connection with management of the Property and from liability for injuries suffered by any person while in the Property or on the premises where the Property is located. Owner shall carry insurance at Owner's expense of the type and in the amounts necessary to protect the interests of Owner and the risks associated with ownership and leasing of the Property. Owner shall instruct its insurance carriers to name Broker and Designated Agent as additional named insureds. Owner shall provide Certificates of Insurance to Designated Agent upon execution of this Agreement.

9. Representations and Warranties.

Owner hereby represents and warranties to Broker/Designated Agent that;

- (a) There is no known structural damage to the Property nor are there any other known defects including but not limited to all; electrical, plumbing, furnace, and other appliances on the Property that may cause tenant harm. Owner certifies to the best of his/her knowledge, all such equipment and appliances are in good working condition and repair. Any repairs needed to maintain Property as required by legal building compliance or occupancy standards shall be contracted for by Designated Agent as agreed to herein and shall be brought to Owner's attention immediately.
- (b) Owner has fee simple title to and peaceful possession of the Property and all its improvements and fixtures, unless rented, and the legal capacity to rent the Property. Owner is not bound by another agreement for the sale, exchange, lease or management of the Property that is or will be in effect during the term of this Agreement or an agreement or covenant that would prohibit Designated Agent to lease the Property.
- (c) Owner is not delinquent in the payment of any property taxes, homeowners association fees, property insurance, mortgage or any other encumbrances on or affecting the Property.
- (d) Owner has full authority to enter into this Agreement and authorize Broker/Designated Agent to take the actions described in this Agreement.
- (e) That all communication to the tenant regarding Property issues shall be conducted through Broker/Designated Agent. (This is for the protection of the Owner to have centralized communication regarding the Property).

10. Termination.

This Agreement may be terminated prior to its termination date upon occurrence of one of the following:

- (a) By thirty (30) days' written notice of one party to the other;
- (b) By thirty (30) days' written notice from Owner to Designated Agent, upon Owner's bona fide sale of the Property;
- (c) By written notice to the other party, upon the filing of a petition in bankruptcy, or if either party makes an assignment for the benefit of creditors or becomes insolvent in any way;
- (d) Upon Designated Agent's written notice to Owner, if Designated Agent discovers that Owner has failed to comply with the terms of paragraph 3 above or any local, state or federal law, regulation, rule, or ordinance.

11. Notices.

All notices, demands, requests, and other communications under this Agreement shall be in writing and shall be deemed properly served or delivered; if delivered by hand to the party to whose attention it is directed, when sent three (3) days after deposit in the U.S. Mail, postage prepaid, or one (1) day after deposit with a nationally recognized air carrier providing next day delivery, or upon sending of an e-mail to the party whose attention it is directed, addressed as follows;

Owner

Name: _____

Mailing Address: _____

Main Phone: _____

Alt. Phone: _____

Alt. Phone: _____

E-mail Address: _____

E-mail Address: _____

Best Form of Contact: _____

Property Manager:

Name: Baird & Warner Property Management

Mailing Address: 836 W.75th Street, Naperville, IL 60565

Office Phone: (630) 718-7526

E-mail Address: frank.passaro@bairdwarner.com

Agent Representative: _____

Agent Phone: _____

Agent E-mail: _____

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

BAIRD & WARNER RESIDENTIAL SALES, INC.

OWNER(S)

By: _____
Its: William Gill/Naperville Branch Manager

