

# H.R.E. MANAGEMENT

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## MANAGEMENT AGREEMENT

In consideration of the covenants herein contained, \_\_\_\_\_ (hereinafter called "Owner") and Hughes Real Estate Inc. (herein after called "Agent"), agree as follows:

1. Owner hereby employs Agent exclusively to rent, lease, operate and manage the property known as \_\_\_\_\_, Illinois (hereinafter called the "premises") for a term of 1 years commencing on \_\_\_\_\_ and annually thereafter for periods of one (1) year each, unless either party hereto shall notify the other in writing of an intention to terminate this agreement not later than sixty (60) days prior to the date of the expiration of the then current term, in which case this agreement shall be terminated as of the end of the then current term. In addition, either party may terminate this agreement upon thirty (30) days written notice.
2. The Agent accepts the employment and agrees:
  - a. To use due diligence in managing the premises for the period and upon the terms herein provided, and to furnish the services and personnel of its organization for the renting, leasing, operating, and managing of the premises.
  - b. To render monthly statements of receipts, expenses and charges (upon request).
  - c. To deposit all receipts collected for Owner (less any sums properly deducted or otherwise withheld, as provided herein) in a trust account, separate from Agent's personal account, with an institution qualified to engage in the banking or trust business. Agent will not be held liable in the event of bankruptcy or failure of such institution.
  - d. Agent's employees who handle or are responsible for Owner's monies shall be bonded.
3. Owner hereby gives to Agent the following authority and powers and agrees in connection therewith:
  - a. To advertise the availability for rental of the premises or any part thereof, and to display "For Rent" signs thereon; to sign, renew and/or cancel leases for the premises or any part thereof; to collect rents due or to become due and give receipts therefore; to terminate tenancies and to sign and serve in the name of owner such notices as are appropriate; to institute and prosecute actions in the name of Owner; to evict tenants and to recover possession of said premises; to recover rents and other sums due; and when expedient, to settle, compromise, and release such actions or suits or reinstate such tenancies. Any lease for the premises or any portion thereof executed by Agent shall not exceed 1 year(s) without approval of Owner.
  - b. To make or cause to be made and to supervise repairs and alterations, and to do decorating on the premises; to purchase supplies. The Agent agrees to secure the prior approval of Owner on all expenditures in excess of \$120 for anyone item, other than the following expenditures which shall not require Owner's prior consent: (i) monthly or recurring operating charges; and (ii) emergency repairs in excess of said amount, if in the opinion of the Agent, such repairs are necessary to protect the premises from damage or to maintain services to the tenant at the premises.
  - c. To hire, discharge and supervise all general maintenance issues, and security personnel, some of whom may be employees of the Agent, while others may be deemed independent contractors of the Owner and not of the Agent, and to perform any duties through said employees or independent contractors without being responsible for the acts, defaults or negligence of the independent contractors, provided that reasonable care has been exercised in their appointment and retention.



4. The Owner further agrees:

a. To save the Agent harmless from all damages, claims and other liabilities, including but not limited to all reasonable attorney's fees incurred by Agent in connection with defense of the same, in connection with the Agent's performance hereunder, and from liability for injury suffered by any person whomsoever (but excepting therefore the grossly negligent, reckless or intentional acts or omissions of Agent).

**b. To carry, at Owner's sole expense, public liability insurance adequate to protect Owner and Agent in such form and amount as Owner shall reasonably determine.**

c. Agent shall not be liable for any error of judgment or for any mistake in fact of law, or for anything which it may do or refrain from doing hereunder, except in cases of intentional misconduct, gross negligence, or reckless conduct.

d. To pay Agent for services rendered pursuant to this agreement as follows:

(1) **9% of all income collected**

\* For Maintenance Supervision, implementation of capital improvements, project management:

\* For Management:

\* For General Bookkeeping,

\* For Review of City Code Requirements and Compliance Oversight Related Thereto:

(2) **\$75 initial setup** fee for starting paperwork, property evaluation, market comparison, accounting, website integration and initial service.

(3) For Rent-Up if applicable, agent shall receive a leasing fee of \$250 for each new lease

(4) **Optional \$100 per year for paperwork to file and collect paperwork for a deduction on Real Estate taxes** (may not apply for multi-unit building contracts)

e. To reimburse Agent for Owner's equitable share of special expenses which may be incurred by Agent, including the following:

(1) Special expenses connected with annual tenant "turnover," including furniture moving, trash hauling, and rental of communications devices necessary to coordinate the work of turnover personnel.

f. Other items of mutual agreement:

5. **Independent Contractor Status.** Agent shall at all times be treated as an independent contractor in connection with Agent's performance hereunder. No employer-employee, partnership, joint venture, or arrangement other than that of an independent contractor shall be created hereby.

6. **No Rule of Strict Construction.** The language contained herein shall be deemed to be approved by all parties hereto and no rule of strict construction shall be applied against any party.

7. **Default.** In the event of default hereunder, the non-defaulting party shall give written notice of default to the defaulting party, who shall have ten (10) days to cure any default. In the event such default is not cured within ten (10) days from the defaulting party's receipt of such notice, the party serving such notice may terminate this agreement by subsequent written notice. The remedies contained herein shall not be deemed the exclusive remedies for the parties, and the parties hereto reserve the right to pursue all other remedies available at law or at equity.

8. **Force Majeure.** In the event that either party shall be delayed in the performance of any obligation hereunder as the result of shortages of labor, fire or casualty, strikes, shortages of fuel or materials, or any other cause beyond the control of such party, then performance with respect to such obligation shall be excused for the period of time reasonably required to perform such obligation.

9. **Binding Effect.** This Agreement shall be binding upon the successors and assigns of the Agent and the heirs, administrators, executors, successors and assigns of the Owner.

IN WITNESS WHEREOF the parties hereto have affixed their respective signatures this \_\_\_\_\_ day of \_\_\_\_\_, 2010.

WITNESS:

OWNER: \_\_\_\_\_  
Print Name

\_\_\_\_\_  
Signature

AGENT: HUGHES REAL ESTATE INC.

By: \_\_\_\_\_  
David Durham