



COMMERCIAL PROPERTY MANAGEMENT AGREEMENT

1 **THIS AGREEMENT** dated this date: _____ **by and between;**

2 [Print name] _____ as the Property Owner, hereafter
3 known as "Owner". By signature below Owner warrants and guarantees to be the sole
4 owner of the subject property described under section 1.1 below and as such has full rights
5 and authority to assign Power of Attorney rights to a property manager as described below.
6 BCI PROPERTIES, LLC, being a duly licensed and bonded property management company in
7 Washington State, providing services listed below, shall hereafter be known as "BCI",
8 "Manager" or "Broker." **Address of BCI:** 9702 South Tacoma Way, Lakewood WA 98499

9 **WITNESSETH:**

10 WHEREAS, Owner owns and has ownership rights to collect rents from and manage the
11 Property hereinafter described, and desires to engage BCI as Manager to manage and operate
12 such Property as a rental; **THEREFORE**, in due consideration of the terms below, the parties
13 mentioned above hereby agree as follows:

14 **POWER OF ATTORNEY:**

15 Owner hereby assigns & appoints BCI Properties, LLC (also known as **BCI**) to provide
16 full Property Management services under the terms of this contract as listed below, and
17 to assign a Property Manager who may appoint an Assistant Property Manager as is
18 allowed by RCW Law Code and hereafter these may also be collectively referred to as;
19 "Manager or PM". Owner also authorizes BCI Properties, LLC and their assigned Agent
20 to act for the Owner and in Owner's name FOR THIS PROPERTY ONLY AND ONLY
21 FOR PROPERTY MANAGEMENT AS IT RELATES TO RENTAL PROPERTY, to sign,
22 seal, acknowledge, and deliver leases, agreements and documents as shall be requisite
23 or as said Agent shall deem necessary for proper care, management and rental of said
24 rental property as provided for in this contract including but not exclusive of the repair,
25 purchase of materials, signing of contracts, transferring liability of utilities for the
26 property into or out of the Owner's name, **signing of MLS Listings** plus other common
27 duties of a PM such as appearances before a Judge for Eviction proceedings without
28 owner review, prior approval or consideration as deemed appropriate by Agent. The
29 Owner agrees to indemnify, defend and hold harmless BCI Properties, LLC along with
30 their employees and their assigned contractors, agents or vendors for actions taken in
31 good faith under this Agreement and Power of Attorney. This Power of Attorney shall
32 not give nor will it allow BCI or Agents any rights to owner representation for any other
33 purpose, sale of this or other property, asset or any other thing of real value.



COMMERCIAL PROPERTY MANAGEMENT AGREEMENT

34 ARTICLE I – PROPERTY

35 **1.1 Property:** The Property address which is the subject of this Agreement is known as:

36 → _____

37 ADD A DESCRIPTION HERE: [IE; on the corner, next to store or Legal Description etc.]

38 _____
39 _____...which with outer improvements is located
40 and situated on the real property described. The Building, the Land and other
41 improvements located on the Land and all appurtenances thereto are hereinafter
42 collectively referred to as the "Property".

43 ARTICLE II - COMMENCEMENT DATE

44 **2.1 Manager's duties** and responsibilities under this Agreement shall begin as of the
45 ____ Day of _____, 20__ , and shall renew for one year periods. After the first
46 year either party may terminate or cancel with a confirmed 30 day notice to the other party
47 at any time.

48 ARTICLE III - MANAGER'S RESPONSIBILITIES

49 **3.1 Management.** Manager shall without hindrance provide the following property management
50 services; management of maintenance of buildings and grounds at subject location, operate, collect
51 rents, screen applicants, evict as needed and maintain the Property in an efficient and satisfactory
52 manner consistent with Owner's instruction and subject to Owner's payment of the costs related
53 thereto as hereinafter set out. Email is mutually agreed upon as satisfactory communications, for
54 notices and as regular mail.

55 **3.2 Employees & Independent Contractors** - Manager shall have in its employ at all times a sufficient
56 number of capable employees to enable it to properly, adequately, safely and economically manage,
57 maintain the Property, or have good access to Licensed Contractors or Service Providers who will act on
58 behalf of Manager to benefit the Owner. All matters pertaining to the employment, supervision,
59 compensation, promotion and discharge of such employees are the responsibility of Manager, which is
60 in all respects the employer of such employees. Manager shall fully comply with all applicable laws and
61 regulations having to do with workers' compensation, social security, unemployment insurance, hours of
62 labor, wages, working conditions and other employer-employee related subjects. This Agreement is not
63 one of agency by Manager for Owner but one with Manager engaged independently in the business of

COMMERCIAL PROPERTY MANAGEMENT AGREEMENT

64 managing properties on its own behalf, as an independent contractor. All employment arrangements
65 are therefore solely Manager's concern and Owner shall have no liability with respect thereto.

66 **3.3 Employee Staffing** - Owner and Manager shall mutually agree on the appropriate number of "on-
67 site" employees whose salaries may be charged to the Property for services rendered to the Property, if
68 and as needed. This employee staffing plan shall be reflected in the approved Operating Budget, if one is
69 attached hereto, and shall be subject to modification from time to time upon the mutual agreement of
70 Owner and Manager.

71 **3.4 Compliance with Laws, Mortgages, etc.** - Manager shall at Owner's expense comply with all federal,
72 state and municipal laws, ordinances, regulations and orders relative to the management, operation,
73 repair and maintenance of the Property and with the rules, regulations or order of the local Board of
74 Fire Underwriters or other similar body. Manager shall promptly remedy any violation of any such law,
75 ordinance rule, regulation or order which comes to its attention.

76 Expenses incurred in remedying violations may be paid from the Operating Account established by
77 Owner pursuant to the terms of Section 7.1 hereof; provided, such expenses do not exceed \$3,000 in
78 any one instance. When more than such amount is required or if the violation is one for which the
79 Property title holder might be subject to penalty, Manager shall promptly notify Owner so that prompt
80 arrangements may be made to remedy the violation at Owner's expense.

81 Manager shall be responsible for compliance with all terms and conditions contained in any space lease,
82 mortgage, deed of trust or other security instruments affecting the Property; provided, however,
83 Manager shall not be required to make any payment or incur any liability on account thereof.

84 **3.5 Approved Budgets.** Manager shall, within ten (10) days after execution of this Agreement, prepare
85 and submit to Owner an Operating and Capital Budget (OCB) for the promotion, operation, repair and
86 maintenance of the Property for the then current calendar year that this lease is active if owner shall
87 require such an OCB . The Manager shall submit a proposed budget in subsequent years no later than
88 inception date of each year when this contract is scheduled to automatically, without time lost, renew
89 for another year. Owner requests an **OCB***; **x**_____ [Owner initials only needed. None if blank.]
90 *Owner will consider the proposed budgets and then will consult Manager in the ensuing period prior to the
91 commencement of the forthcoming calendar year in order to agree on an "Approved Operating Budget" and an
92 "Approved Capital Budget".

93 Manager agrees to use diligence and to employ all reasonable efforts to ensure that the actual costs of
94 maintaining and operating the Property shall not exceed the Approved Budget pertaining thereto, either
95 in total or in any one accounting category. Manager shall secure Owner's prior written approval for any
96 expenditure that will result in more than \$500. Per month, or collectively amounting to no more than

COMMERCIAL PROPERTY MANAGEMENT AGREEMENT

97 ten percent (10%) per year, of the annual budgeted amount in any one accounting category of the
98 Approved Operating Budget per month.

99 During the calendar year, Manager shall inform Owner of any major increases in costs and expenses
100 that were not foreseen during a budget preparation period thus were not reflected in an Approved
101 Budget.

102 **3.6 Collection of Rents and Other Income.** Manager shall, if requested in writing (email is
103 acceptable) to do so by Owner, collect all rents (including escalation billings resulting from tenant
104 participation in increase in expenses, taxes and common area maintenance charges) and other
105 charges which may become due at any time from any tenant or from others for services provided in
106 connection with of for the use of any Property or any portion thereof. If requested in writing to do
107 so, Manager shall collect and identify any income due Owner from miscellaneous services provided
108 to tenants or the public including, but not limited to, parking income, tenant storage, and coin
109 operated machines of all types (e.g., vending machines, pay telephones, etc.). All monies so collected
110 shall be deposited in the Operating Account established by Owner pursuant to Section 7.1 hereof.
111 Manger may, without the prior written approval of Owner, terminate any lease, lock out a tenant,
112 institute suit for rent or for use and occupancy, or proceeding for recovery of possession. In
113 connection with any collection efforts, only legal counsel or collection firms approved by Owner
114 shall be retained. Manager shall not write off any income items without prior approval of Owner.

115 **3.7 Competitive Bidding.** All contracts for repairs, capital improvements, goods and services
116 exceeding \$1,000.00 shall be awarded on the basis of competitive bidding, solicited in the following
117 manner, if required by owner in writing or email only:

118 (a) A minimum of 2 written bids shall be obtained for each purchase or maintenance repair etc. for
119 any repairs or maintenance over \$1,000.00 and the owner or owners assigned agent shall be
120 required to approve such expense in writing prior to work being done. Owner shall remit said funds
121 within 72 hours unless otherwise agreed upon. **Health and safety repairs** shall be remedied by
122 mutual agreement within 24-72 hours either by owner or property manager with owner's approval.
123 A lack of agreement and funding on owners part shall be considered a breach of this contract with
124 penalties as prescribed herein.

125 (b) Each bid will be solicited on a form prepared by BCI Properties, LLC when possible, so that
126 uniformity will exist in all bid quotes company wide. Owner may request that the bids be on the
127 vendors stationary.

128 (c) Manager shall submit bid quotes with a recommendation to Owner for written approval.

129 (d) Owner shall be free to accept or reject any and all bid quotes.

130 (e) Manager may request Owner to waive competitive bidding rules.

COMMERCIAL PROPERTY MANAGEMENT AGREEMENT

131 (f) Contracts may be entered into with affiliates of Manager provided Owner approved the
132 contracts.

133 (g) Owner may pay for such expenses from its own resources or may authorize payment by
134 Manager out of the Operating Account.

135 **3.8 Repairs.** Manager shall attend to the making and supervision of all ordinary and extraordinary
136 repairs, decorations and alterations subject to the limits of the approved Operating Budget.
137 Excluded from this provision are expenditures to refurbish, rehabilitate, remodel, or otherwise
138 prepare areas covered by new rental leases unless otherwise agreed upon in writing between the
139 parties hereto.

140 **In case of emergency,** Manager may make expenditures for repairs which exceed the limits in
141 Section 3.7 hereof without prior written approval if it is necessary to prevent damage, possible
142 injury or for health and safety reasons if necessary to protect the public.

143 **3.9 Capital Improvements.** The Approval Capital Budget constitutes an authorization for Manager
144 to expend money for projects up to \$_____. With respect to the purchase and installation of
145 major items (costs in excess of \$_____) of new or replacement equipment, Manager shall
146 recommend that Owner purchase these items when Manager believes such purchase to be
147 necessary or desirable. Owner may arrange to purchase and install the same itself or may authorize
148 Manager to do so subject to prescribed supervision and specification requirements and conditions.
149 The competitive bid rules outlined in Section 3.7 hereof will be observed.

150 **3.10 Service Contracts.** Manager shall not enter into any contract for cleaning, maintaining,
151 repairing or servicing any Property or any of the constituent parts of any Property that requires
152 annual payments in excess of \$_____ without the prior written consent of Owner. As a
153 condition to obtaining such consent, manager shall supply Owner with a copy of the proposed
154 contract and shall state to Owner the relationship, if any, between Manager and the party proposed
155 to supply such goods or services, or both.

156 All service contracts shall: (a) be in the name of Manager, (b) be assignable, at Owner's option, to
157 Owner or Owner's nominee, (c) include a provision for cancellation thereof by Owner or Manager
158 upon not more than thirty (30) days written notice and (d) shall require that all contractors
159 provide evidence of sufficient insurance. Unless Owner specifically waives such requirements,
160 either by memorandum or as an amendment to the contract, all service contracts shall be subject to
161 bid under procedures as specified in Section 3.7 hereof. If this Agreement is terminated pursuant to
162 Article XIII hereof, Manager shall, at Owner's option, assign to Owner or Owner's nominee all
163 service agreements pertaining to the Property.

164 **3.11 Non-Owned Properties.** If Owner does not have title to the Property, such as when a Lien
165 Holder is on title, then notwithstanding the provisions of this Agreement including the provisions

COMMERCIAL PROPERTY MANAGEMENT AGREEMENT

166 relative to the making of repairs or maintenance of the Property, Manager shall not incur any
167 expenses in any month in excess of the income from the property during that month, without prior
168 funding in full from owner. In any case in which there is doubt, Manager shall inform Owner of the
169 situation so that Owner may have the opportunity of determining what action should be taken
170 under the circumstances.

171 **3.12 Taxes, Mortgages.** Manager shall, if so requested, obtain and verify bills for real estate and
172 personal taxes, improvements, assessments and other like charges which are or may become liens
173 against the Property and recommend payment or appeal as in its best judgment it may decide.
174 Manager shall forward such bills to Owner for payment by Owner in such time to permit Owner to
175 avoid penalty for late payment or to permit Owner to take advantage of discounts.

176 **ARTICLE IV**

177 **INSURANCE**

178 **4.1 Insurance.** Owner, at its expense, will obtain and keep in force adequate insurance against
179 physical damage (i.e., fire with extended coverage endorsement, boiler and machinery, etc.) and
180 against liability for loss, damage or injury to property or persons which might arise out of the
181 occupancy, management, operation or maintenance of the Property. Manager will be covered as an
182 additional insured in all liability insurance policies maintained with respect to the Property with a
183 minimum of \$800,000 for liability coverage, or as required by law or property manager's insurance
184 company. Owner shall save Manager harmless from any liability on account of loss, damage or
185 injury actually insured against and actually collected by Owner. Manager shall notify Owner and the
186 insurance carrier after manager receives notice of any such loss, damage or injury and will take no
187 action (such as admission of liability) which might bar Owner from obtaining any protection
188 afforded by any policy Owner may hold or which might prejudice Owner in its defense to a claim
189 based on such loss, damage or injury. Owner shall have the exclusive right, at its option, to conduct
190 the defense to any claim, demand or suit within limits prescribed by the policy or policies of
191 insurance. Lack of such coverage is a breach of this contract with penalties as prescribed herein.

192 Manager shall furnish whatever information is requested by Owner for the purpose of establishing
193 the placement of insurance coverage's and shall aid and cooperate in every reasonable way with
194 respect to such insurance and any loss thereunder. Owner shall include in its hazard policy covering
195 the Property, personal property, fixtures and equipment located thereon, and Manager shall include
196 in any fire policies for its furniture, furnishings or fixtures situated at the Property, appropriate
197 clauses pursuant to which the respective insurance carriers shall waive all rights of subrogation
198 with respect to losses payable under such policies.

199 **4.2 Additional Insurance.** Manager must furnish a certificate evidencing Workers' Compensation
200 and crime insurance in a form acceptable to Owner if employees are used in the on-site
201 management of subject property. Crime insurance shall be for an amount not less than \$40,000. The

COMMERCIAL PROPERTY MANAGEMENT AGREEMENT

202 certificate shall be attached thereto an endorsement that Owner will be given at least ten (10) days
203 prior written notice of cancellation of or any material change in the policy. Owner will not
204 reimburse Manager for Manager's cost of such insurance, or for any and all coverage Manager
205 obtains for its own account.

206 **4.3 Subcontractor's Insurance.** Manager shall require that all subcontractors brought onto the
207 Property have insurance coverage at the subcontractor's expense, in the following minimum
208 amounts:

209 (a) Workers' Compensation - Statutory Amount

210 (b) Employer's Liability (in those areas where it is required) \$100,000 minimum.

211 (c) Comprehensive General Liability (minimum):

212 i. \$100,000 Bodily Injury per person; \$300,000 per occurrence; \$100,000 Property Damage
213 or;

214 ii. \$300,000 Combined Single Limit

215 Manager must obtain Owner's permission to waive any of the above requirements. Higher amounts
216 may be required if the work to be performed is sufficiently hazardous. Manager shall obtain and
217 keep on file a Certificate of Insurance which shows that the subcontractor is so insured.

218 *See Section VIII for claims/loss requirements.

219 **ARTICLE V**

220 **FINANCIAL REPORTING AND RECORD KEEPING**

221 **5.1 Books of Accounts.** Manager, in the conduct of its responsibilities to Owner, shall maintain
222 adequate and separate books and records for the Property, the entries to which shall be supported
223 by sufficient documentation to ascertain that said entries are properly and accurately recorded to
224 the Property. Such books and records shall be maintained by Manager at Manager's address as
225 stated herein or at such other location as may be mutually agreed upon in writing. Manager shall
226 ensure such control over accounting and financial transactions as is reasonably required to protect
227 Owner's assets from theft, error or fraudulent activity on the part of Manager's employees or other
228 agents. Losses arising from such instances are to be borne by Manager and shall include but not be
229 limited to:

230 (a) Theft of assets by Manager's employees or other agents.

231 (b) Overpayment or duplicate payment of invoices arising from either fraud or error.

232 (c) Unauthorized use of facilities by Management's employees or associates.

COMMERCIAL PROPERTY MANAGEMENT AGREEMENT

233 **5.2 Account Classification.** Manager shall adopt Accounting policies acceptable to Owner.

234 **5.3 Financial Reports.** Manager shall furnish reports of all transactions occurring during the prior
235 month. these reports are to be received by Owner on or before the 10th day of the month after the
236 above described accounting period and must show all collections, delinquencies, uncollectible
237 items, vacancies, and other matters pertaining to the management, operations, and maintenance of
238 the Property during the month. The report shall include the items listed on Schedule "B", attached
239 hereto and made a part hereof, and a comparison of monthly and year-to-date actual income and
240 expense with the Approved Operating Budget for the Property. In addition, Manager shall prepare
241 forms prescribed by Owner to facilitate the input of financial information into Owner's accounting
242 system.

243 **5.4 Supporting Documentation.** As additional support to monthly financial statements, manager
244 shall provide such additional supporting documentation as may reasonably be requested by Owner.

245 **5.5 Transfer of Funds.** If Owner elects in writing to have Manager collect rents payable for Leases
246 with respect to the Property, on or before the 15th of every month, Manager shall remit the cash
247 balance in the Operating Account after deducting the authorized working capital amount and
248 known major expenditures that will be paid between that date and the last day of the month and
249 the sums which Owner is required to maintain in the Operating Account.

250 Checks for remittances should be delivered to Owner, independent of required financial reports, in
251 the most expeditious manner possible as directed by Owner.

252 **5.6 Accounting Principles.** All financial statements and reports required by Owner will be
253 prepared in accordance with generally accepted accounting principles with the execution that
254 Owner may specify that the statements be prepared on a cash basis.

255 **ARTICLE VI**

256 **OWNER'S RIGHT TO AUDIT**

257 **6.1 Owner reserves** the right for Owner's employees, or others appointed by Owner, to conduct
258 examinations during normal business hours after three (3) days written notification, of the books
259 and records maintained for Owner by Manager no matter where the books and records are located.
260 Owner also reserves the right to perform any and all additional audit tests relating to Manager's
261 activities, either at the Property or at any office of Manager; provided, such audit tests are related to
262 those activities performed by Manager for Owner.

263 **ARTICLE VII**

264 **EXPECTATION OF TENANCY**

265 Owner expects the Manager to enforce the following terms upon any and all tenants.

COMMERCIAL PROPERTY MANAGEMENT AGREEMENT

266 **7.1 Tenant's Maintenance.** Tenant shall, at its sole expense, keep all parts of the Leased Premises
267 in good condition, order and repair, clean, sanitary and safe, including, without limitation, the
268 following items: all glass, including windows of glass or plate glass, window mullions and gaskets,
269 doors and attached hardware, office entries, special store fronts, interior walls, interior ceilings,
270 cabinets, millwork, paneling and other finish work, floors and floor coverings, plumbing fixtures
271 and sanitary sewers between Tenant's plumbing fixtures and the main Project sanitary sewers,
272 electrical facilities and electrical fixtures, and all other equipment, fixtures and Trade Fixtures
273 (hereinafter defined), and shall paint the interior of the Leased Premises when necessary in order
274 to maintain at all times a clean and slightly appearance. Tenant shall also maintain on a regular
275 basis the heating, ventilating and cooling equipment serving the Leased Premises, and repair the
276 same as necessary. Tenant shall repair and replace, subject to Manager's direction and supervision,
277 any damage to the Leased Premises or the Project caused by Tenant or any of Tenant's Agents. If
278 Tenant refuses or neglects to make repairs and/or maintain the Leased Premises, or any part
279 thereof, in a manner reasonably satisfactory to Manager, Manager shall have the right (but not the
280 obligation), upon giving Tenant ten days' prior written notice of its election to do so, to make such
281 repairs or replacements or perform such maintenance on behalf of and for the account of Tenant.
282 Such cost shall be payable to Manager by Tenant on demand as Additional Rental. The obligation to
283 repair shall include the obligation to replace when necessary. All contractors, workmen, artisans
284 and other persons which or who Tenant proposes to retain to perform work in the Leased Premises
285 pursuant to this Section shall be approved by Manager prior to the commencement of any such
286 work. Tenant is also obligated to perform, at Tenant's own cost and expense and risk, all other
287 maintenance and repairs necessary or appropriate to cause the Leased Premises to be suitable for
288 Tenant's intended commercial purpose.

289 **7.2 Occupancy of Leased Premises.** Tenant shall throughout the Term of this Lease, at its own
290 expense, maintain the Leased Premises and all improvements thereon and shall deliver up the
291 Leased Premises in a clean and sanitary condition at the expiration or termination of this Lease or
292 the termination of Tenant's right to occupy the Leased Premises, in good repair and condition,
293 reasonable wear and tear excepted, subject to the provisions of Article VI. Upon the expiration or
294 termination of this Lease or the termination of Tenant's right to occupy the Leased Premises,
295 Tenant shall surrender all keys for the Leased Premises to Manager at the place then fixed for the
296 payment of Rent and Manager shall have the right to reenter and resume possession of the Leased
297 Premises. No act done by Manager or any of Manager's Agents (hereinafter defined) during the
298 Term of the Lease shall be deemed an acceptance of a surrender of the Leased Premises, and no
299 agreement to accept a surrender of the Leased Premises shall be valid unless the same be made in
300 writing and executed by Manager. Tenant shall notify Manager at least fifteen (15) days prior to
301 vacating the Leased Premises and shall arrange to meet with Manager for a joint inspection of the
302 Leased Premises. If Tenant fails to give such notice or to arrange for such inspection, then
303 Manager's inspection of the Leased Premises shall be deemed correct for the purpose of
304 determining Tenant's responsibility for repair of the Leased Premises.

COMMERCIAL PROPERTY MANAGEMENT AGREEMENT

305 **7.3. Common Area.** The Common Area, if applicable, shall be subject to Manager's sole
306 management and control and shall be operated and maintained in such manner as Manager, in its
307 discretion, shall determine. Manager reserves the right to change from time to time the dimensions
308 and location of the Common Area as well as the location, dimensions, identity and type of any
309 building and to construct additional buildings or additional stories on existing buildings or other
310 improvements in the Project, and to eliminate buildings. Tenant and Tenant's Agents shall have the
311 nonexclusive right and license to use the Common Area as constituted from time to time, such use
312 to be in common with Manager, other tenants of the Project and other persons permitted by
313 Manager to use the Common Area. Manager may from time to time designate specific areas within
314 the Project or in reasonable proximity thereto in which automobiles owned by Tenant and Tenant's
315 Agents shall be parked. Tenant and Tenant's Agents shall not, without the prior written consent of
316 Manager, solicit business or display merchandise within the Common Area, or distribute handbills
317 therein, or take any action which would interfere with the rights of other persons to use the
318 Common Area. Manager may temporarily close any part of the Common Area as may be necessary
319 to prevent the public from obtaining prescriptive rights or to make repairs or alterations.

320 **7.4. Light, Air and View.** Neither the diminution nor the shutting off of any light, air or view nor
321 any other effect on the Leased Premises by any structure or condition now or hereafter existing on
322 property adjacent to the Leased Premises or the Project shall affect this Lease, abate Rent or
323 otherwise impose any liability on Manager.

324 **7.5. Entry.** Tenant shall permit Manager and Manager's Agents (hereinafter defined) to enter into
325 and upon the Leased Premises at all reasonable times for the purposes of inspecting the same or
326 showing the same to prospective purchasers, or for the purpose of maintaining or making repairs
327 and the Rent shall in no way abate while such inspections, repairs, alterations, improvements or
328 additions are being made, by reason of loss or interruption of business of Tenant; provided,
329 however, that Manager shall make reasonable efforts not to interfere with the normal business
330 operations of Tenant. During the period that is six (6) months prior to the end of the Term hereof
331 (unless Tenant has exercised its option to renew) and at any time Tenant is in default, Manager or
332 Manager's Agents may enter the Leased Premises during reasonable times for the purpose of
333 showing the Leased Premises. Manager acknowledges that the business conducted by Tenant and
334 to be conducted by Tenant on the Leased Premises consists of retention, maintenance and storage
335 of records of third parties, which requires that their access be restricted so as to maintain the
336 confidentiality thereof. In exercising its right to enter into and upon the Leased Premises, Manager
337 shall observe such procedures and safeguards as Tenant may reasonably impose to protect the
338 confidentiality of the business records stored in the Leased Premises, provided, in the case of an
339 emergency, Manager may take such action as may be reasonably necessary to protect the Leased
340 Premises. In the event of a default by Tenant under and pursuant to this Lease, Tenant, or the third
341 parties whose records are stored and maintained by Tenant on the Premises, shall have thirty (30)
342 days from the retaking of possession by Manager in which to remove such records from the

COMMERCIAL PROPERTY MANAGEMENT AGREEMENT

343 Premises without interference from Manager. In no event shall any Manager type lien, security
344 interest or encumbrance attach in any manner to any of such third party records.

345 **7.6. Waste and Environmental Compliance.** Tenant covenants and agrees to comply strictly and
346 in all respects and to cause Tenant's Agents to comply strictly and in all respects with the
347 requirements of any applicable law, statute, ordinance, permit, decree, guideline, rule, regulation or
348 order pertaining to health or the environment (hereinafter sometimes collectively called
349 "Applicable Environmental Laws"), including, without limitation, the Comprehensive
350 Environmental Response, Compensation, and Liability Act of 1980, the Resource Conservation and
351 Recovery Act, the Hazardous Materials Transportation Act, the Texas Water Code, the Texas Solid
352 Waste Disposal Act and regulations promulgated under any of the preceding statutes, as each of the
353 foregoing may be amended from time to time. Tenant shall not cause or permit any Hazardous
354 Materials (hereinafter defined) to be brought to or generated, treated, stored, used, installed or
355 disposed in, on, under or about the Leased Premises or the Project.

356 **7.7 Rent Schedule.** The following option is desired and specified by Owner. [Owner must initial one]

357 A. Rents are subject to BCI Manager's best opinion. _____

358 B. Rents are to be left at current rates, as evidenced by attached current leases. _____

359 C. Rents are to be charged per attached Rental Fee Schedule/Addendum. _____

360 **7.8** Tenant lease expires. Manager will determine if market conditions will allow a rent increase.

361 **7.9** Market Conditions. Owner may require a yearly Manager's report on market conditions.

362 **8.0** Owner override. Owner will only override Managers opinion of rent amounts in writing

363 **ARTICLE VIII**

364 **FILING CLAIMS & OWNER INVOLVEMENT:**

365 **8.1** Broker may not file a claim for a casualty loss with the carrier insuring the Property. Broker
366 may communicate with the carrier to facilitate the processing of any claim Owner may file or other
367 matters that Owner instructs Broker to communicate to the carrier.

368 **8.2** Broker may not directly or indirectly employ or pay a lawyer to represent Owner. Broker may
369 communicate with Owner's attorney in accordance with Owner's instructions.

370 **ARTICLE IX**

371 **LEGAL COMPLIANCE:**

372 **9.1** The parties will comply with all obligations, duties, and responsibilities under the Washington
373 State RCW/WAC Codes, fair housing laws, and any other statute, administrative rule, ordinance, or
374 restrictive covenant applicable to the use, leasing, management, or care of the Property.

COMMERCIAL PROPERTY MANAGEMENT AGREEMENT

375 **ARTICLE X**

376 **RESERVES:**

377 **10.1** Upon execution of this agreement, Owner will deposit the following amount with
378 Broker to be held in a trust account as a reserve for **Owner: \$_____**. Broker may, at
379 Broker's discretion, use the reserve to pay any expense related to the management of the
380 Property (including but not limited to Broker's fees). If the balance of the reserve becomes
381 less than the amount stated, Broker may: (a) deduct an amount that will bring the balance
382 to the amount stated from any subsequent rent received on behalf of Owner and deposit
383 the amount into the reserve; or (b) notify Owner that Owner must promptly deposit
384 additional funds with Broker to bring the balance to the amount stated.

385 **ARTICLE XI**

386 **OWNER'S REPRESENTATIONS:**

387 **11.1** General: Except as disclosed in Paragraph 20, Owner represents that:

- 388 (1) Owner has fee simple title to and peaceable possession of the Property and all its improvements
389 and fixtures, unless rented, and the legal capacity to lease the Property;
390 (2) Owner is not bound by another agreement for the management of the Property that is or will be
391 in effect during this agreement;
392 (3) If Broker has the authority to lease the Property under Paragraph 1C, Owner is not bound by:
393 (a) another agreement with another broker for the lease of the Property that will be in effect during
394 this agreement; or (b) any agreement or covenant that prohibits owner from leasing the Property;
395 (4) Owner is not delinquent in the payment of any property taxes, owners' association fees,
396 property insurance, mortgage, or any encumbrance on or affecting the Property;
397 (5) The Property is not subject to the jurisdiction of any court; and
398 (6) All information related to the Property that Owner provides to Broker is true and correct to the
399 best of Owner's knowledge.
400 (7) Owner has no partner, or if existing partner is not signing this contract then owner shall attach a
401 Power of Attorney to give proof of ability to sign on behalf of partner and entire partnership.

402 **11.2** Property Condition: Except as stated below, in this agreement, or in any addendum, Owner is
403 not aware of:

- 404 (1) any condition affecting the Property that materially affects the health or safety of an ordinary
405 tenant;
406 (2) any environmental hazard on the Property; or
407 (3) any violation of any ordinance, statute, restriction, or law related to the Property. The property
408 is considered ready to rent, unless otherwise state herein or in writing as an addendum.

409 **ARTICLE XII**

410 **OWNER'S COOPERATION:**

411 **12.1** Owner agrees to:

- 412 (1) Cooperate with Broker to facilitate the management of the Property;

COMMERCIAL PROPERTY MANAGEMENT AGREEMENT

413 (2) Not deal with or negotiate with any tenant in the Property concerning any matter
414 related to the management of the Property but refer all such dealings to Broker;

415 (3) Not enter into a management agreement with another broker for the management of
416 the Property to become effective during this agreement;

417 (4) provide Broker with copies of any existing leases or rental agreements related to the
418 Property;

419 (5) provide Broker with keys and access devices to the Property;

420 (6) provide Broker with copies of all warranties related to the Property or any item in the
421 Property;

422 (7) Tender to Broker any security deposits paid by any existing tenants in the Property;

423 (8) Complete any disclosures or notices required by law or a lease of the Property;

424 (9) amend applicable notices and disclosures if a material change occurs during this
425 agreement and;

426 (10) Notify Broker if Owner becomes delinquent in the payment of: (a) any mortgage or
427 other encumbrance secured by the Property; (b) property taxes; (c) property insurance; or
428 (d) owners' association fees.

429 **12.2** If Broker has the authority to lease the Property under Paragraph 1C, Owner further agrees to

430 (1) Cooperate with Broker to facilitate the showing, marketing, and lease of the Property;

431 (2) Not rent or lease the Property to anyone without Broker's prior written approval;

432 (3) Not negotiate with any prospective tenant who might contact Owner directly, but refer all
433 prospective tenants to Broker;

434 (4) Not deal with or negotiate with any tenant in the Property concerning any matter related to the
435 leasing of the Property but refer all such dealings to Broker; and

436 (5) Not enter into a listing agreement with another broker for the rental or leasing of the Property
437 to become effective during this agreement.

438 **ARTICLE XIII**

439 **BROKER'S FEES:**

440 **13.1** All fees to Broker under this agreement are payable in Tacoma, Washington. This
441 paragraph survives possible termination of this agreement with regard to fees earned
442 during this agreement which are not payable until after its termination. Broker may deduct
443 any fees under this paragraph from any funds Broker holds in trust for Owner. If more than
444 one property or unit is made part of and subject to this agreement, then each of the
445 provisions below will apply to each property or unit separately.

446 **13.2 Management Fees:** Each month Owner will pay Broker the greater of;

COMMERCIAL PROPERTY MANAGEMENT AGREEMENT

447 1. \$_____ (monthly minimum management fee) or....

448 2. _____% of the gross monthly rents collected that month. (Execute one box only.)

449 **13.3** A vacancy in the Property or failure by a tenant to pay rent will excuse payment of the
450 minimum management fee, until said payment can be collected by Manager/BCI collection
451 efforts. Management fees under this Paragraph are earned as paid or collected by BCI.

452

453 **13.4 Leasing Fees for New Tenancies*:** Each time the Property is leased to a
454 new tenant, Owner will pay Broker a new leasing fee equal to:

455 (1) _____ % of the gross rents to be paid under the lease.

456 (2) \$_____. Flat fee.

457 *The leasing fees under this Paragraph are payable at the time the lease is executed.

458 **13.5 Renewal or Extension Fees*:** Each time a tenant in the Property
459 renews or extends a lease, Owner will pay Broker a renewal or extension fee
460 equal to: (Check one box only.)

461 (1) _____ % of the gross rents to be paid under the renewal or extension...or;

462 (2) \$_____. Flat fee. [Select only one, strike the other out]

463 *The renewal or extension fees under this Paragraph are earned at the time the renewal or lease is
464 executed by the parties to the lease and are payable at the time the renewal or extension is
465 effective. For the purposes of this paragraph, a new lease for the same Property with the same
466 tenant then occupying the Property is an extension or renewal. This Paragraph does not apply to
467 month-to-month renewals or month-to-month extensions.

468 **13.6 Service Fees:** Each time Broker arranges for the Property to be repaired,
469 maintained, or altered as permitted by this agreement, Owner will pay Broker
470 a service fee equal to:

471 (1) _____ % of the total cost of each repair, maintenance, alteration, or
472 redecoration.

473 (2) \$_____ flat fee. (Check one box only.)

474 - Notice: The service fees under this Paragraph are earned at the time the repair, maintenance, or
475 alteration is made and are payable upon Owner's receipt of Broker's invoice. Interest on Trust
476 Accounts: Any trust account Broker maintains under this agreement may be an interest-bearing or
477 income producing account. Broker may retain any interest or income from such account as
478 compensation under this agreement. Broker will remove any interest or income payable under this
479 Paragraph from the trust account no later than the 30th day after the interest or income is paid.

480 **13.7 Administrative Fees:** If Broker collects administrative charges from tenants or prospective
481 tenants, Including but not limited to, application fees, returned check fees, or late charges, Broker
482 will retain such fees as compensation under this agreement. The administrative fees under this
483 Paragraph are earned and payable at the time Broker collects such fees.

COMMERCIAL PROPERTY MANAGEMENT AGREEMENT

484 **13.8 Fees Related to Legal Proceedings:** If Owner requests or instructs Broker to appear in any
485 legal proceeding or deposition related to the Property (including, but not limited to, evictions,
486 tenant disputes, security deposit disputes, and suits for damages); Owner will pay Broker
487 \$_____, per hour for Broker's time expended in the such matters and in preparation of such
488 matters. Fees under this Paragraph are earned at the time the services are rendered and payable
489 upon Owner's receipt of Broker's invoice. This is not legal counsel or services, but extended
490 property management services rendered in a fiduciary manner on behalf of owner.

491 ARTICLE XIV

492 Fees in the Event of a Sale:

493 **14.1 Fee if a Tenant Purchases Property:** If at any time during this agreement or within
494 180 days after it ends, Owner sells the Property to a tenant who occupied the Property
495 during the term of this agreement, Owner will pay Broker a fee equal to:

- 496 (a) _____% of the sales price, 6% if left blank, or;
497 (b) \$_____. (Check one box only. Fees under this Paragraph are earned and payable at the time the sale closes.)

498 **4.2 Fee if Buyer is Procured through Broker:** If during this agreement, Owner agrees to sell the
499 property to a person other than a tenant who occupied the property and Broker procures the buyer,
500 directly or through another broker, **Owner will pay Broker a fee equal to: (a)_____ % of**
501 **the sales price, 6% if left blank, or; (b) \$_____.** (Check one box only.)

502 **14.3 Sale Coordination Fees:** If at any time during this agreement Owner agrees to sell the
503 Property and Broker is not paid a fee under the foregoing Paragraphs; Owner will pay Broker for
504 Broker's time and services to coordinate showings, inspections, appraisals, repairs, and other
505 related matters. Fees under this paragraph are earned at the time such services are rendered and
506 payable upon Owner's receipt of Broker's invoice. Sale Coordination Fee: \$950.00 or as agreed
507 through an addendum.

508 **14.4 Definition:** "Sell" means to agree to sell, convey, transfer or exchange any interest in the
509 Property whether by oral or written agreement or option.

510 **14.5 Separate Listing Agreement Controls:** If Owner sells the Property and pays Broker the fee
511 under a separate written listing agreement between parties, then this section will not apply.

512 ARTICLE XV

513 EXPENSE REIMBURSEMENT:

514 **15.1** Upon Owner's receipt of Broker's invoice, Owner will reimburse Broker the following
515 expenses that are related to the leasing or management of the Property: (a) copy charges; (b)
516 charges for long distance telephone calls or facsimile transmissions; (c) regular, express, or
517 certified mail charges; (d) notary fees; (e) photos and videos; (f) reasonable travel expenses,

COMMERCIAL PROPERTY MANAGEMENT AGREEMENT

518 including but not limited to mileage reimbursement (at the standard mileage rate published by the
519 IRS), parking expenses, and tolls; and (g) any other expenditures Broker is authorized to make
520 under this agreement for Owner or that Owner otherwise authorizes Broker to make for Owner.

521 **ARTICLE XVI**

522 **FUNDS RECEIVED AFTER TERMINATION:**

523 **16.1** If Broker receives any funds on behalf of Owner after this agreement ends (for example, rent,
524 damages, past due amounts, and others), Broker will deposit those funds in Broker's trust account
525 or mail a check to owner if so directed and will: (a) pay **10 %** of the funds received to Broker as
526 compensation for services (for example, research, accounting, communicating, and processing)
527 rendered at that time; and then (b) pay the balance of the funds to Owner. This provision survives
528 termination of this agreement.

529 **ARTICLE XVII**

530 **LIABILITY AND INDEMNIFICATION:**

531 **17.1** Broker is not responsible or liable in any manner for personal injury to any person or for loss
532 or damage to any person's real or personal property resulting from any act or omission not caused
533 by Broker's negligence, including but not limited to injuries or damages caused by:

- 534 (1) Other brokers, their associates, inspectors, appraisers, and contractors who are authorized
535 to access the Property;
- 536 (2) Acts of third parties (for example, vandalism, theft, or other criminal acts);
- 537 (3) Freezing or leaking water pipes;
- 538 (4) A dangerous condition or environmental condition on the Property; or
- 539 (5) The Property's non-compliance with any law or ordinance.

540 **17.2** Broker is not responsible or liable in any manner for:

- 541 (1) Any late fees or other charges Owner incurs to any creditor caused by late or insufficient
542 payments by any tenant in the Property; or
- 543 (2) Damages to Owner caused by a tenant's breach of a lease.

544 C. Owner agrees to protect, defend, indemnify, and hold Broker harmless from any damage, costs,
545 Attorney's fees, and expenses that:

- 546 (1) Are caused by Owner, negligently or otherwise;
- 547 (2) Arise from Owner's failure to disclose any material or relevant information about the
548 Property;
- 549 (3) Are caused by Owner giving incorrect information to any person; or
- 550 (4) Are related to the management of the Property and are not caused by Broker, negligently or
551 otherwise.

552 **17.3** Owner is responsible and liable for all contracts and obligations related to the Property (for
553 example, maintenance, service, repair and utility agreements) entered into before or during this
554 agreement by Owner or by Broker under Broker's authority under this agreement. Owner
555 agrees to hold Broker harmless from all claims related to any such contracts.

556 **ARTICLE XVIII**

COMMERCIAL PROPERTY MANAGEMENT AGREEMENT

557 **DEFAULT:**

558 **18.1 A party is in default of this agreement** if the party fails to cure a breach or any violation of
559 this agreement within 10 days after receipt of written demand to cure the breach from the other
560 party, or within 72 hours if the breach is health or safety related. If either party is in default, the
561 non-defaulting party may: (a) terminate this agreement by providing at least 10 days written
562 notice; (b) recover all amounts due to the non-defaulting party under this agreement; (c) recover
563 reasonable collection costs and attorney's fees; and (d) exercise any other remedy available at law.
564 Broker is also entitled to recover any compensation Broker would have been entitled to receive if
565 Owner did not breach this agreement, for entire term of this agreement.

566 **ARTICLE XIX**

567 **MEDIATION:**

568 19.1 The parties agree to negotiate in good faith in an effort to resolve any dispute related to this
569 agreement that may arise between the parties. If the dispute cannot be resolved by negotiation, the
570 dispute will be submitted to mediation. The parties to the dispute will choose a mutually acceptable
571 mediator and will share the cost of mediation equally.

572 **ARTICLE XX**

573 **ATTORNEY'S FEES:**

574 **20.1 If Owner or Broker is a prevailing party** in any legal proceeding brought as a result of a
575 dispute under this agreement or any transaction related to or contemplated by this agreement, such
576 party will be entitled to recover all costs of such proceedings and reasonable attorney's fees from
577 other party.

NOTICE: Signatures below attest to mutual agreement with the terms & conditions of this document. Please see next page 18 below for signatures and notary.

.Notes & added terms:

- .
- .
- .

- .
- .
- .



COMMERCIAL PROPERTY MANAGEMENT AGREEMENT

Owner of property, printed name: _____.

Owner signature x _____.

Date: _____

***Notice: Must have Notary Seal ONLY if this contract is for more than one year.**

NOTARY SEAL -

STATE OF WASHINGTON

COUNTY OF _____

On this day personally appeared before me _____, to me known to be the individual(s) described in and who executed the within and foregoing instrument, and acknowledged that he/she/they signed the same as his/her/their free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and seal of office this ____ day of _____, 20____.

Notary Public residing at _____

Printed Name: _____ seal

My Commission Expires: _____

BCI Properties Agent printed name: _____.

BCI Agent Signature x _____.

[Washington State Dept. of License Brokerage #9902]

Date: _____

NOTARY SEAL -

STATE OF WASHINGTON

COUNTY OF _____

On this day personally appeared before me _____, to me known to be the individual(s) described in and who executed the within and foregoing instrument, and acknowledged that he/she/they signed the same as his/her/their free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and seal of office this ____ day of _____, 20____.

Notary Public residing at _____

Printed Name: _____ seal

My Commission Expires: _____