

# 1. BCI PROPERTY MANAGEMENT AGREEMENT

## 1.1 TERM:

In consideration of the covenants herein contained, <<Owner Name(s)>>" (Owners") and **BCI Properties, LLC**, a Washington State (Corporation/Limited Liability Corporation) ("Agent") agree as follows:

**TERM:** The Owner hereby employs the Agent exclusively to operate and manage the property located at <<Property Address>> ("the Property") upon terms hereinafter set forth for a period of (12) months beginning on<<Management Start Date>>and thereafter for an indefinite period of time. This Agreement may be terminated within thirty (30) days of term expiration with written notice by either party. If the Owner terminates this Agreement within ninety (90) days of the Start Date, the Owner shall pay the Agent a five hundred dollar (\$500) termination fee (Cancellation Fee) and Owner authorizes Agent to withdraw the, or part of the, Cancellation Fee from the Property Account for this purpose. After ninety (90) days of the Start Date, the Owner or Agent can terminate this Agreement upon thirty (30) days' notice (Cancellation Notice). Unless a Party notifies the other Party in writing, this Agreement will be automatically extended on the first (1st) day of every subsequent calendar month and shall be in effect during that entire calendar month (Monthly Extension). All the terms of this Agreement shall apply during each and every Monthly Extension. If no Cancellation Notice is given, the Monthly Extension shall continue every month until the Cancellation Notice is provided.

## 1.2 AGENT DUTIES:

**AGENT DUTIES:** The Agent shall exclusively manage and serve as the Owner's Agent (Services) for the Property on behalf of the Owner. The Services include:

1. To accept the management of the Property, to the extent, for the period, and upon the terms herein provided and agrees to furnish the services of its organization for the renting, leasing, operating, and management of the Property in accordance with the requirements of the Fair Housing Act of 1968, as amended, and shall take actions considered appropriate to carry out the purposes of the Act.
2. To screen all tenants in accordance to city, county, and state criteria. Current screening criteria can be found on our website at: [www.bci-properties.com](http://www.bci-properties.com). Due to laws which may affect disclosure of private and credit information, Agent shall not provide Owner with the tenant's credit report and/or application unless specifically authorized in writing by the tenant(s) and the provider of the credit report.
3. To prepare leases for execution by Owner and prospective tenants; and to enter into negotiations with existing tenants to renew leases, expand existing facilities, and/or relocate to other spaces within the Property if need arises, as authorized with Owner.
4. To do bi-annual inspections of premises as to condition and/or maintenance, and to provide written reports and photos to Owners after said inspections.
5. To hire, discharge, and pay all contractors, janitors, and other independent contractors; to make or cause to be made and supervise all ordinary repairs and replacements necessary to preserve the Property in its present condition and for the operating efficiency thereof, and to purchase supplies and pay all bills thereof. Agent agrees to secure the prior approval of the Owner on all expenditures in excess of **three hundred (\$300.00)** (Cost Deposit) for any one item except monthly or recurring operating charges, the performance of emergency repairs, or to maintain services to the tenants in compliance with the terms of the leases.
6. In case of an emergency or Owner's unavailability of inaccessibility, Agent shall have the authority, in Agent's reasonable discretion, to authorize the repair. The Agent shall use Agent's professional discretion in recommending or authorizing repairs. Notwithstanding the previous sentence, Owner agrees that (i) agent may use independent contractors, (ii) Agent is not responsible, and hereby disclaims liability for the acts or omissions or damage to the Property therefrom.
7. To make contracts for electricity, gas, fuel, water, telephones, window cleaning, garbage disposal, landscaping, and other services as the Agent shall deem advisable. The Owner shall assume the obligations of any contracts so entered into at the termination of this Agreement.
8. To serve or sign or to have served notices as Agent deems appropriate or as the Owner directs, in compliance with all laws then in effect, including but not limited to Late Notices, Eviction Notices, Inspection notices, and others as needed. Owner agrees that Agent assumes no liability for monies that are uncollectible or for any damages, clean up or other costs whatsoever related to the management of the Property. Any disagreements between Owner and Agent shall be settled with a neutral third party or Arbitrator in the State of Washington only.

Any additional fees collected from tenant above tenant's monthly rent as a result of the Notices will be divided equally between Owner and Agent. Agent is not licensed to practice law.

## 1.3 RENT AND ACCOUNTING:

**RENT AND ACCOUNTING:** The Services include:

1. To provide the Owner with a monthly statement of receipts, expenses, and charges and to remit to Owner receipts less disbursements on a month basis. In the event disbursements shall be in excess of the rents collected by the Agent, the Owner hereby agrees to pay such excess promptly upon demand by the Agent. Monthly operating statements and year-end statements and 1099's will be prepared for Owners. Owner may inspect books relating to the Property at any time.
2. To deposit receipts collected for Owner and all tenant security and deposits held by Agent into Agent's Management trust account. Funds in said account are to be considered the sole property of the Owner, not the Agent.
3. To collect rents and other sums due and give receipts therefore, and to deposit all funds hereunder in Agent's Management Trust Account; to sign and serve in the name of the Owner such notices as are appropriate; to institute and recover other sums due from tenants' to negotiate the settlement of disputes with tenants; and to terminate or reinstate tenancies.
4. To pay all operating expenses and other expenses as may be authorized by Owner, to pay any lenders designated by Owner all sums which may become due on loans affecting the property, and to pay casualty and liability property insurance and real property taxes and other taxes levied and assess against the Property.

#### 1.4 OWNER DUTIES:

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The Owner agrees to provide the following:

1. The Owner shall promptly furnish Agent with all documents and records required for the management of the Property, including, but not limited to, all leases, pertinent correspondence, copies of any service contract, and all applicable insurance policies.
2. Owner, at all times, shall maintain the Cost Deposit of at least \$300 in the Property's Account and, in the event that the Property Account is less than the Cost Deposit, Owner authorizes Agent to restore the account from receipts otherwise due to Owner until the Owner restores the Cost Deposit.
3. **Owner hereby acknowledges that they have installed working smoke detectors and carbon monoxide detectors per code on each level of the property** OWNER DUTIES: If Agent discovers no working smoke detectors or carbon monoxide detectors or they are not up to code, Agent is authorized to correct the discretion at the sole cost to the Owner.
4. The Owner shall be responsible for all third-party costs in pursuance of the Services related to the Property including, but not limited to contractor fees, maintenance, and repairs. Under no circumstances, whatsoever, shall the Agent be responsible for contractor expenses, other than maintenance or repair costs, or any third-party expenses whatsoever in the performance of the Services. The Owner authorizes Agent to pay all maintenance and repair costs and other expenses from the Property Account before turning to Owner to pay said costs directly.
5. Owner understands that Agent uses in house maintenance billed at \$75 per hour as first choice. If scale or scope of work exceeds the capabilities of the in-house staff, agent will use third party vendor. Agent may include fees in final owner invoice to cover project oversight / administration.

#### 1.5 OWNER FURTHER AGREES:

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##### OWNER FURTHER AGREES:

1. The Owner shall indemnify, defend and hold Agent harmless from and against any and all debts, claims, demands, lawsuits, regulatory proceedings and all damages, costs (including without limitation, settlement costs) and expenses (including, without limitation, reasonable attorney's fees, expert fees, legal costs and arbitrator fees) (Claims) brought by tenants, contractors, or third parties arising from, or relating to, the tenants, the Property or this Agreement except for claims arising out of Agent's gross negligence or intentional malfeasance and misconduct. Agent shall not incur any liability for bankruptcy or failure of the depository where the property Account of Cost Deposit is maintained. Owner shall carry, at Owner's own expense, an insurance policy covering the Property which expressly permits the leasing of the Property to third party residential tenants (covering all claims made by said tenants and their guests, invitees and licensees) and other insurances to adequately protect the interest of he Parties to this Agreement.
2. To pay Agent for its property management service a monthly fee of «Total Monthly Payment» % for all rental income and late fees collected. Agent shall pay itself the monthly management fee prior to disbursement of proceeds to Owner each month.
3. To pay Agent one half first month's rent as lease signing fee per each new lease Agreement.
4. To pay Agent \$250 as a lease renewal fee per each renewal Agreement.
5. To pay Agent \*10%\* of cost for supervision of any projects exceeding \*\$2000\*.
6. This Agreement constitutes the entire understanding of the Parties and supersedes all prior Agreements between the Parties. Agent may modify or amend the agreement if provided in writing to owner 60 days or more before the change occurs. The provisions of this Agreement will be binding upon and inure to the benefit of the Parties hereto and their respective successors, assigns, heirs and administrators. The Parties will take all necessary and reasonable further acts and execute all reasonable further and necessary documents to affect the intent of this Agreement. If any term, clause or provision of Agreement is held invalid or unenforceable by a court of competent jurisdiction, such invalidity will not affect the validity or operation of any other term, clause or provision and such invalid term, clause or provision will be deemed to be severed from the Agreement. The failure of non-breaching Party to seek relief for the breaching Party's breach of any duty under Agreement, will not waive any right of the non-breaching Party to seek relief for any subsequent breach.

By initialing below, you acknowledge and agree to the terms in Section 1.

X \_\_\_\_\_  
Initial Here

## 2. Sign and Accept

### 2.1 ACCEPTANCE:

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1. For purposes of this Agreement, and until changed by written notice to the other party, Owner's and Agent's mailing address for all purposes shall be:

Owner<<Owner Name(s)>>	Agent: BCI Properties, LLC
Address <<Owner Address(es)>>	9702 South Tacoma Way
Contact information: <<Owner Contact Information>>	Lakewood, WA 98499

X \_\_\_\_\_  
Owner

\_\_\_\_\_  
Date Signed

X \_\_\_\_\_  
Agent/Broker

\_\_\_\_\_  
Date Signed