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BMA Bay Management & Associates, Inc.

"Finding Opportunities to Make a Difference"

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PROPERTY MANAGEMENT CONTRACT

In consideration of the covenants contained herein, _____, (hereinafter referred to as "Owner(s)"), and **Bay Management & Associates, Inc.**, (hereinafter referred to as "Manager"), agree to this Property Management Agreement (hereinafter referred to as the "Agreement") as follows:

1. Exclusive Agency.

A. The Owner(s) hereby employs the Manager exclusively to rent, lease, operate and manage _____ (hereinafter referred to as the "Property") upon the terms and conditions provided herein for the period of one (1) year beginning _____ and ending _____ and shall automatically renew thereafter for annual periods. Manager accepts the employment and shall furnish the services of the organization for the management of the property. Owner shall pay all of the expenses in connection with this service described herein. *Upon the expiration of the agreed term of this Agreement, or termination as contained herein, sole and absolute authority and responsibility for the Property shall be returned to the Owner, unless a tenant has been secured, in which case the term of this Agreement shall correspond and be identical to the term of the Lease Agreement drawn on the Property as a result of this employment.*

2. Manager Responsibilities.

A. Collection and Disbursement. Manager shall collect all rents and other payments due from any tenant(s) according to the terms and conditions of any and all lease agreements drawn on the Property by the Manager, or the Owner, and to provide the Owner with monthly statements accounting for all expenses. Manager shall deposit those amounts, less any commissions or fees due to the Manager.

B. Late Payments from Tenant(s). Any lease with Tenant shall include a 5% late fee in the event that the Tenant rent is not received by the 5th day of each month. All fees shall be kept by the Manager to assist in the collection of rent process.

C. Lease Negotiations. Manager will set rents to reflect market conditions at the time of advertising and approximate rents to comparable rental properties. Manager will not set rents if instructed in writing by the Owner to Manager to the contrary, with Owner confirming the amount of the initial rent and any subsequent increases which are deemed acceptable to the Owner. Owner designates the Manager as the agent to negotiate and sign any and all lease agreements or related addenda on its behalf, unless instructed otherwise in a written statement from the Owner to the Manager. Manager will employ best efforts to pursue lease terms and agreements consistent with the broad terms the Owner and the Manager have discussed for the Property. Manager is not, and shall not be expected to act as legal counsel or a legal advisor to the Owner. Owner is advised to seek its own legal counsel for legal issues or legal questions related to the Property.

D. Property Inspections. Manager shall inspect property prior to Tenant(s) move in and after Tenant(s) move out. Manager shall make periodic inspections of the Property to make sure that the Property is being maintained and upheld to satisfaction, as it feels necessary (at least bi-annually), and report matters concerning the condition of the Property to the Owner.

E. **City Requested Inspections.** Manager shall not be deemed responsible or liable for any fees or costs associated with the maintenance, repair or replacement of the Property to meet any inspection items noted by the City, County or municipality. Manager shall not be responsible for any fines, fees or costs assessed by any City, County or municipality associated with an inspection or re-inspection of the Property, unless said fines, fees or costs are the result of the negligence of the Manager, which shall not be presumed but shall be determined by a court of law or Property tribunal.

F. **Tenant Placement, Communication and Advertisement.** Manager agrees to devote reasonable efforts to serving the Owner of the Property in obtaining a suitable tenant as soon as possible and whenever there is proper notice of tenant move out for the duration of this Agreement. Owner authorizes and the Manager agrees to advertise and otherwise market the Property for lease, and to sign, renew and / or cancel lease agreements (with consent of the Owner), said agreements not to exceed one (1) year in duration, and to collect and disburse any security deposit according to the terms of the lease agreement, all on behalf of the Owner. Manager agrees to sign tenant lease agreements as the managing agent for the Owner. Manager agrees to sign and serve notices required under any lease agreement on behalf of the Owner. Manager shall terminate tenancies, evict tenant(s), and recover possession of the Property, to institute legal proceedings including prosecution and suite, if need be, hire legal representation on behalf of the Owner, and when required in order to protect the Owner and / or the Property.

G. **Management Fees, Expenses and Services Included.** As compensation for the services rendered by Manager under this agreement, the Owner shall pay the Manager as follows.

I. Manager shall be paid the greater of $120 per month or 10% of the gross rent collected per month for management of the Property. Services included in the said Property Management fee include the following:

1. Collection of rents and processing payments
2. All tenant communication
3. Overseeing maintenance and repairs
4. 24 Hour maintenance service
5. Rent court attendance
6. Property inspections and reports
7. Owner and tenant portal administration

II. Manager shall be paid a leasing fee at which time this contract is signed by the Owner. This leasing fee is separate and apart from the Property Management fee specified above. The leasing fee shall be paid to the Manager in the amount of _Five Hundred and Twenty Five Dollars__ ($_525.00_). It is further agreed that there will be no fees charged for lease extensions or renewals. Services included in the said leasing fee include the following:

1. Creating and maintaining Owner portal and Property information in Management software
2. Taking pictures of the Property
3. Initial Property inspection to deem Property ready for occupancy
4. Online Property advertisement
5. Property showings
6. Prospective tenant screening and qualifying procedures
7. Lease Contract administration
8. Rekeying of locks for new tenant

III. In the event that the Property is received by Management already occupied by a Tenant(s), Manager shall be paid a Property transitioning fee equal to _Three Hundred and Fifty Dollars_ ($_350.00_). Manager shall not be liable for any act or omissions by said Tenant. Services included in the said Property transition fee include the following.

1. Creating and maintaining Owner portal and Property information in Management software
2. Taking pictures of Property
3. Property inspection to deem Property fit for current Tenant(s)

H. **Negotiation and Vendor / Contractor.** The Manager is authorized to retain the services of companies, independent contractors, and Manager's own maintenance employees and to order service contracts required for the operation and maintenance of the property. Owner shall be responsible for the payment of the services and incidental supplies rendered. Manager maintains business relationships with vendors and/or contractors who may be retained by the Manager for maintenance and other services. Sometimes these services are paid in bulk or on a time-spent basis, where the Manager is charged for the work performed on several Properties, rather than on a per-Property basis. Due to the ongoing nature of these relationships and the volume or bulk nature in which these services are contracted, the Manager may receive such services as a price that is discounted from the same vendor or contractor's established rates or a comparable market rate for such services. Therefore, if the Manager negotiates, hires, and manages such a vendor or contractor to perform work on the Property, the Manager shall charge the published or market rates for such service, even in circumstances in which the fee ultimately paid by the Manager (on a per service, per unit basis) are more or less than the market rate. Any difference between the market rate being charged to the Owner and the rate paid by the Manager (which may be more or less than such market rate) shall be paid by or retained by the Manager. This shall serve as the Manager's discloser that the Manager may receive compensation from vendors contracted by the Manager, and the Manager shall retain any discounts or compensation received.

I. **Security Deposits.** Manager shall collect a security deposit in an amount equal to a minimum of one month's rent, and to keep and to hold said security deposit in its escrow account to be disbursed according to the terms of the lease agreement. At the end of the lease agreement any interest which by law is due and owing to the tenant shall be paid by Owner. The Owner is therefore responsible for the interest due on the security deposit in accordance with the Maryland Real Property Code. The Manager is under no obligation to pursue evicted or past tenants for judgment, or collections, of expenses or damages that exceed the tenant's security deposit. ***Owner may hold the security deposit themselves. If this option is requested please make note in the appropriate section of this Agreement.***

J. **Services Not Included in Managers Responsibilities.** Normal Property Management does not include services for Property sales, refinancing, making mortgage payments or HOA fees, preparing the Property for sale or refinancing, modernization, fire, major damage restoration, rehabilitation, obtaining income tax, file for any tax returns, accounting, legal advice, representation before public agencies, advising on proposed new construction, debt collection, counseling, attending Owners Association meetings, or insurance claims.

3. **Reasonable Maintenance and Repair.**

A. **Maintenance, Repair and Cleaning Authorization.** Owner authorizes Manager and Manager agrees to attend to making the necessary and proper maintenance, repairs, cleaning and decorations in and to the property. A reasonable charge may be made for the Manager's time or charges made necessary by government laws or regulations, and compliance with such rules or regulations, or excessive time spent in

protecting the Owner's interests in any way. Examples include but are not limited to legal actions or inspections. Expenses shall be deducted from the balance of rent monies or by additional funds paid promptly by the Owner upon request from the Manager. Expenditures exceeding _Five Hundred Dollars_ ($_500.00_) will be made by the Manager only after being authorized to do so by the Owner except in the following circumstances.

I. Emergency repairs that in the opinion of the Manager are immediately necessary for the preservation, health and safety of the Property or Tenant(s), to avoid the suspension of any essential service to the Property or Tenant(s), to avoid danger or life of the Property or Tenant(s), or to comply with federal, state, or local law. The decision of the Manger will be accepted in any of the ongoing instances and these charges will be billed to the Owner. The Manager is not obligated to pay any bills or charges from the Manager's own funds or any sums owned to Manager for its services rendered.

II. Manager is authorized to immediately make any repairs to chipping or peeling paint, consistent with the MDE Lead Paint Poisoning Prevention Program.

B. **Repair and Maintenance Grace Period.** Owner authorizes that the Manager can give the Resident(s) a 30 day grace period for necessary maintenance and repairs that would be the Resident(s) responsibility to take care of financially during the duration of their Lease term, with the exception of damage caused by the Resident(s) during the beginning of their Lease term. Owner agrees to be responsible financially for all necessary maintenance and repairs of the Property during the first 30 days of the Resident(s) Lease term, except for instances where the Resident(s) caused damage that initiated the need for maintenance and / or repair.

C. **Smoke and Carbon Monoxide Detectors.** At the Owner's expense, smoke detectors and carbon monoxide detectors will be installed in the Property in accordance with the law, prior to the tenant's occupancy. During occupancy, it shall be the tenant's responsibility to maintain all smoke detectors and carbon monoxide detectors.

4. Disbursements of Rents and Receipts.

A. **Net Proceeds.** To the extent that funds are available the Manager shall remit the balances to the Owner monthly.

B. **Direct Deposit.** Owners who wish to receive electronic payment may choose to sign up for Direct Deposit. This program is the electronic transfer of rental income via ACH. This service is at no additional charge. Typically funds are paid out more quickly through this method compared to mailing a paper check.

C. **Manager is not required to Advance Funds.** If the balance of funds held on behalf of the Owner for disbursement is at any time insufficient to pay disbursements due and payable, the Owner shall, not later than 10 days after written notice, remit sufficient funds to the Manager to cover the deficiency.

5. Insurance.

A. **Owners Insurance.** Owner shall obtain and maintain adequate insurance against liability for loss, damage or injury to the Property or persons which might arise out of the occupancy, management, use, operation, or maintenance of the Property.

B. **Tenants Insurance.** All tenants acquired by the Manager are informed that it is required they obtain renters insurance and that the Owner's insurance does not cover tenants personal items, affects, or situations of displacement. Owner may require tenants to obtain renters insurance by notifying the Manager in writing prior to Lease execution.

6. **Manager Assumes no Liability.** Manager assumes no liability for any damages, losses, or acts of omission by the tenant. Manager assumes no liability for any acts or omissions of the Owner, previous Owners or previous brokers. Manager assumes no liability for default by any Tenant. Manager assumes no liability for violations of environmental or other regulations which may become known during the term of this Agreement. Any such regulatory violations or hazards discovered by the Manager shall be brought to the attention of the Owner, and the Owner shall promptly cure them. Manager shall not be liable in the event of bankruptcy or failure of the depository bank where the Owner's funds are deposited.

7. **Indemnification and Owner's Responsibilities to Defend.**
   A. **Litigation and Compliance Expenses.** Owner shall pay all fines, penalties, or other expenses in connection with any claim proceeding, or suit involving an alleged violation of any law pertaining to fair employment, fair credit reporting, environmental protection, rent control taxes or fair housing, including illegal discrimination on the basis of race, sex, color, religion, national origin, physical handicap, familial status, public assistance, age or all other classes protected by state, or federal law; provided, however, that owner shall not be responsible to the Manager for any such expenses if the Manager is found in the court of law or tribune of property authority to have personally, and not in a representative capacity, violated any such law. Should the Owner sue the Manager, Owner shall pay the full cost of Manager's attorney's fees and costs expended in defending itself, in the event Manager prevails in such suit. Nothing contained in this Agreement shall obligate the Manager to employ legal counsel to represent Owner in any such proceeding or suit.

   B. **Owner Representations.** Owner represents and warrants that the Owner has full power and authority to enter into this Agreement; that there are no written or oral agreements affecting the Property other than disclosed tenant leases, copies of which have been furnished to the Manager; that there are no recorded easements, restrictions, reservations or rights of way which adversely affect the use of the Property for the purposes intended under this Agreement; that the Property is zoned for the intended use; that all permits for the operation of the Property have been secured and are current; that any underlying mortgages or related liens permit rental of the Property and Property steps have been taken to ensure the Property being used in a manner consistent with how it has been represented to third parties, that the building and its construction and operation do not violate any applicable statues, laws, ordinances, rules, regulations, orders or the like; that the information supplied by the Owner is dependable and accurate; and that any loans, notes , mortgages, dues or trust deeds are fully paid or are current without defaults.

8. **Agreement Termination.**
   A. **Early Termination.** This agreement may be terminated by the Manger or Owner at any time with at least thirty (30) days written notice.

   B. **Termination for Violation of Agreement or Law.** Manager reserves the right to terminate this Agreement with thirty (30) days written notice if the Owner is found to have violated the Agreement. Manager reserves the right to terminate this Agreement immediately if the Owner acts in a manner which, at the discretion of the Manager, creates a hostile or otherwise harmful relationship with the Manager, or the Owner is found in violation of any federal, state or local law that may create a liability to the Owner, impact the goodwill or public reputation of the Manager, or otherwise endanger the Manager in any way.

C. **Owner Responsible for Payments.** Upon termination, the Owner shall pay the Manager any fees, commissions, and expenses due to the Manager for services already rendered or payments due through the month of termination of this Agreement. Owner shall assume and satisfy the obligations of any contract or outstanding bill incurred by the Manager under this Agreement. Manager may withhold funds for up to thirty (30) days after the end of the month in which this Agreement is terminated in order to pay bills previously incurred but not yet invoiced and to close accounts. Manager shall deliver to the Owner, within thirty (30) days after the end of the month in which this Agreement is terminated, any balance of money due to the Owner or Tenant security deposits, or both, which were held by the manager with respect to the Property, as well as a final accounting reflecting the balance of income and expenses with respect to the Property as of the date of termination or withdraw.

9. Lead Based Paint Disclosure.

Housing built before 1978 may contain lead-based paint. Before renting pre-1978 housing, the Owner must disclose the presence of known lead-based and / or lead-based paint hazards in the Property.

Owner represents that:

( ) The Property was constructed on or after January 1st, 1978

( ) The Property was constructed prior to 1978. Check (A) or (B) or (C) below.

A. ____ Owner has no knowledge of lead-based paint and / or lead-based paint hazards in the Property.

B. ____ Owner has knowledge of lead-based paint and / or lead-based paint hazards in the Property. (explain)

_____

_____

_____

C. ____ Owner has had Property inspected and can show proof of such inspection.

( ) The Property was constructed prior to 1950 **(Owner must show proof of lead inspection)**

10. Will you allow pets with a $500 additional security deposit: Yes _____ No _____ If allowed, do you have any restrictions on the type or size of the pet? Please list any restrictions below.

_____

_____

11. Do you have a Maintenance Protection Plan or Home Warranty? Yes _____ No _____

Name of Company: _____

Account Number: _____

Contact Number: _____

Maintenance Protection Plan Covers:

_____

_____

12. **Complete Agreement.** This Agreement shall be binding upon the parties, and each of their respective heirs, executors, administrator, successors and assigns. No amendment is valid unless in writing and signed by the parties. There are no warranties or representations not herein contained.

Complete Property Address _____

_____	_____
Owner Print Name	Date
_____	_____
Owner Signature	Date
_____	_____
Bay Management & Associates, Inc. (Representative print name)	Date
_____	_____
Bay Management & Associates, Inc. (Representative signature)	Date

13. Owner(s) Information Page.

Owner Name: _____

Owner Full Address: _____

Home Phone: _____ Work Phone: _____ Cell Phone: _____

Email Address: _____

Insurance Company: _____ Policy Number: _____

Insurance Company Address, Agent, and Phone Number

_____

_____

(If there is a Secondary Owner)

Owner Name: _____

Owner Full Address: _____

Home Phone: _____ Work Phone: _____ Cell Phone: _____

Email Address: _____

14. New Property Information Page.

Property Address: _____

Legal Owner Name: _____

Circle One: Single Family Multi-Family

Number of Bedrooms: _____ Bathrooms: _____ Square Footage: _____ Year Built: _____

Payments will be made payable to the legal owner name.

Owner's Mailing Address: _____
City, State, Zip: _____

15. Payment Distribution Information.

Would you like to receive a check? Yes ____ No ____
(OR)
Would you like to receive online payment via ACH? Yes ____ No ____ ***(if yes please fill out the information below)***

Bank Name: _____
Routing Number: _____
Account Number: _____
Checking or Savings: _____

16. Security Deposit.

Circle One: Owner Held Management Company Held