

Maryland Property Management Agreement

In consideration of the covenants herein, _____ (hereinafter referred to as "Owner(s)"), and _____ (hereinafter referred to as "Agent"), agree to this Property Management Agreement (hereinafter referred to as the "Agreement") as follows:

1. EXCLUSIVE AGENCY. The Owner(s) hereby employs the Agent exclusively to rent, lease, operate and manage all units in Exhibit A _____ (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. Agent 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.

2. FEES. The Owner agrees to pay to the Agent:

A. For management: Agent shall be paid the greater of \$_____ per month or ____% of monthly collections, including collections of Rent and all reimbursable items noted as Additional Rent such as repairs, utilities, etc.

B. For leasing vacant residential units: a leasing fee of one (1) month's rent will be charged. If Owner brings a qualified Tenant to the Agent and a lease is signed with the Tenant, Agent agrees to charge a leasing fee equal to ____% of one month's rent. Agent agrees to cooperate with all Realtors®. Leasing fees are waived if the owner has on-site staff on payroll that performs leasing functions. No commissions are charged on renewals of residential leases.

C. For leasing vacant commercial units: ____% of the first year's rent, ____% of the second and third years' rent, ____% of the fourth and fifth years' rent, and ____% of the rent for each year thereafter, including renewal options, payment of which shall survive any termination of this Agreement.

D. Normal property management does not include services for property sales, refinancing, preparing Property for sale or refinancing, modernization, fire, or major damage restoration, rehabilitation, obtaining income tax, accounting, or legal advice, representation before public agencies, advising on proposed new construction, debt collection, counseling, attending Owner's Association meetings, or insurance claims. If Owner requests Management to perform services as specified above that are not included in normal property management, a fee of \$_____ per hour shall be charged for these services.

3. AGENTS AUTHORITY. The Owner(s) gives to the Agent the following authority:

A. To advertise for rent said Property or any part thereof; to display signs; to rent same; to sign leases for a period not to exceed twenty-four months and to renew or cancel leases; to institute and prosecute action to evict tenants and to recover possession of property(s). Agent is under no obligation to pursue evicted or past Tenants for judgment, or collections, of expenses or damages that exceed Tenant security deposit monies.

B. Agent is authorized to retain the services of companies, independent contractors, and Agent'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 rendered

C. Agent is authorized to make or cause to be made, through contracted services, employees or otherwise, all ordinary repairs and replacements reasonably necessary to preserve the Property in a habitable condition and for the operating efficiency of the Property, and all alterations required to comply with lease requirements, governmental regulations or insurance requirements. The Agent agrees to notify the Owner(s) of all expenditures in excess of \$500.00 for any one item, except for the following:

(i) previously approved, monthly or recurring operating charges

(ii) emergency repairs that are immediately necessary for the preservation and safety of the Property, to avoid the suspension of any essential service to the Property, to avoid danger or life of Property, or to comply with federal, state or local law

(iii) necessary expenses if the Owner is not reasonably available for consultation. Agent is authorized to immediately make any repairs to chipping or peeling paint, consistent with MDE Lead Paint Poisoning Prevention Program.

Owner's Initials: _____

Agent's Initials: _____

D. To retain, from monies due the Owner, a minimum reserve equal to \$_____ which shall be used to pay expenses in the event expenses exceed income. Agent reserves the right to increase the amount of the minimum reserve in anticipation of impending expenses. If Owner elects not to maintain a reserve account, Agent is authorized to deduct any and all expenses for the management of the Property from the Owner's monthly proceeds. At no time will Agent pay expenses in excess of monthly income and reserve.

E. Agent is authorized to perform, or hire vendor to perform, routine preventative maintenance inspections and services including, but not limited to: common area cleanings, trash removal, gutter cleaning, gutter and downspout repairs, fence repairs, HVAC filter cleaning, pavement repairs, roof repairs, tub/shower caulking, plumbing integrity inspections, smoke and carbon monoxide detector inspections, rat and rodent infestation inspections and abatement, and all other preventative maintenance or inspections Agent deems as necessary to ensure proper upkeep of buildings and property.

4. AGENT'S DUTIES. The Agent accepts the engagement and agrees:

A. To use due diligence in the management of the property(s) and to furnish the services of its organization for the renting, leasing, operating and managing the Property.

B. To furnish Owner with a monthly statement of expenses and disbursements from the operation of the Property.

C. To submit as required by the IRS at the conclusion of each calendar year a Form 1099 indicating the total income received from the Property. In the event disbursements shall exceed receipts, Owner shall promptly remit such excess to Agent.

D. To deposit all receipts collected for the Owner(s) in an account in an insured national or state banking institution. Agent will not be liable in the event of bankruptcy or failure of a depository.

E. To fund the tenant's security deposit in an escrow account set up exclusively for security deposits. Bay Management Group further acknowledges to assume the expenses associated with funding and paying interest due to tenants in accordance with Maryland Real Property Code.

5. COLLECTION OF RENT. The following forms of rent shall be collected on behalf of the Owner from Tenant: base monthly rent, monies collected as additional rent such as reimbursement for repairs, reimbursement for damages, reimbursement of environmental and code violation fines, reimbursement of water and other utilities. Management Fees apply to the collection of all monies from Tenants. Agent shall retain the following monies charged to the Tenants: late fees, court fees to collect late rent, and fees for returned checks from the bank for non-sufficient funds. Management Fees apply to the collection of all monies from Tenants. Tenant rent checks will be made payable to Bay Management Group.

6. ENFORCEMENT OF THE LEASES. Agent is authorized to institute, in Owner's name, all legal actions or proceedings for the enforcement of any lease term, for the collection of rent or other income from the Property, or for the eviction or dispossession of the tenants or other persons from the Property. Agent is authorized to sign and serve such notices as Agent deems necessary for lease enforcement, including the collection of rent or other income. If Agent deems it necessary, Agent may retain an attorney of Agent's choice (unless Owner supplies Agent with the name of Agent's attorney). Owner shall pay all attorney fees and court costs.

7. SMOKE DETECTORS. Smoke detectors will be installed on the Property in working condition in accordance with the law prior to the tenant's occupancy at Owner's expense. During occupancy, the tenant is responsible for maintaining all smoke detectors.

8. HOLD HARMLESS. Owner agrees to indemnify, defend, and save Agent, and all persons employed by the Agent, harmless from all loss, investigation, suits, damage, cost, expense (including attorney's fees), liability or claims for personal injury and/or property damage incurred or occurring in, on or about the Property arising from or connected with the management, rental, or operation of the Property. Should Agent successfully defend any action brought by Owner against them or any of their employees relating to the Property, or Agent management thereof, Owner agrees to pay all costs incurred by Agent in connection with such action, including a reasonable attorney's fee.

Owner's Initials: _____

Agent's Initials: _____

9. AGENT ASSUMES NO LIABILITY. Agent assumes no liability for any damages, losses, or acts of omission by the Tenant. Agent assumes no liability for any acts or omissions of Owner or previous Owners or previous agents. Agent assumes no liability for default by any tenant. Agent 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 Agent shall be brought to the attention of Owner, and Owner shall promptly cure them.

10. OWNER REPRESENTATIONS. Owner represents and warrants: that 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 Agent; 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 the building and its construction and operation do not violate any applicable statutes, laws, ordinances, rules, regulations, orders or the like; that the information supplied by Owner is dependable and accurate; and that any loans, notes, mortgages, dues or trust deeds are fully paid and are current without defaults.

11. TERMINATION:

A. Early Termination. Either party may terminate this Agreement by giving sixty (60) days notice in writing. Notice of termination directed to Agent shall become effective only after all indebtedness or advance made by Agent on behalf of the Owner, plus interest, has been repaid in full to Agent and all compensation due to Agent has been paid to and received by Agent. A cancellation fee in the amount equal to the management fee that would accrue over the remainder of the stated term of any existing lease agreement would be due the Agent with termination. Agent may terminate this Agreement by written notice, and with an immediate effective date, if the Owner fails to, or refuses to, authorize and pay for repairs to Property(s) that are required to (a) fulfill the terms of a lease with a tenant, (b) comply with a building code or governmental ordinance or law, or (c) make the property safe and habitable. Failure of the Owner(s) to comply or allow the Agent to comply with all laws, regulations and building codes of any governmental authority shall be sufficient cause for immediate termination of this contract by the Agent. In the event Owner directs Agent to transfer files and documents to a succeeding management company, Owner will pay Broker a transfer fee of \$_____.

B. Indemnification Survives Termination. All representations and warranties of the parties contained herein shall survive the termination of this Agreement. All provisions of this Agreement that require Owner to have insured or to defend, reimburse or indemnify Agent shall survive any termination. If Agent becomes involved in any proceeding or litigation by reason of having been Owner's Agent, such provisions shall apply as if this Agreement were still in effect.

12. LEAD-BASED PAINT DISCLOSURE.

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

The property was constructed on or after January 1, 1978.

The property was constructed prior to 1978. Check (i) or (ii) or (iii) below.

(i)____ Owner has no knowledge of Lead-based paint and/or lead-based paint hazards in the Property.

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

(iii)____ 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)**

Owner's Initials: _____

Agent's Initials: _____

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

14. OWNER'S FEDERAL TAX ID # or Social Security # : _____

15. COMPLETE PROPERTY ADDRESS: _____

16. WILL YOU ALLOW PETS WITH A \$_____ PET DEPOSIT: YES_____ NO_____
If allowed, do you have any restrictions on the type or size of pet. Please list any restrictions below:

The undersigned parties acknowledge that they have thoroughly read and understand each provision of this Agreement, and have received a copy.

Executed this _____ day of _____, 20 _____.

Owner Signature: _____ Printed Name: _____

Owner's Home Address: _____

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

Email: _____

Owner Signature: _____ Printed Name: _____

Owner's Address (If different than above) _____

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

Email: _____

Insurance Co. _____ Policy # _____

Insurance Co. Address, Agent, and Phone Number: _____

Agent Signature: _____

Company Name: _____

Company Address: _____

Owner's Initials: _____

Agent's Initials: _____