RESIDENTIAL PROPERTY MANAGEMENT AGREEMENT

For one or multiple Alabama residential rental properties

OWNER / ENTITY	
OWNER PERSONAL / MAILING ADDRESS	
PHONE / EMAIL	
EFFECTIVE DATE	
INITIAL TERM	12 months, then month-to-month unless otherwise stated in Schedule A

Property coverage. This Agreement applies to every property listed in Schedule A. Additional properties may be added later by a written, signed addendum or updated Schedule A without replacing the entire Agreement.

Core business terms. Management fee: 10% of rents and late fees actually collected. Property reserve: $1,000 per property. Owner distributions: ACH only. Routine inspections: two per calendar year.

The schedules at the end of this Agreement keep property-specific rent, security-deposit instructions, pet authorization, and vendor preferences in one place. Owner-wide special requests belong in the Other Terms section near the end of this Agreement.

1. Appointment; Scope; Multiple Properties

Owner appoints Southern Bay Realty ("Agent") as Owner's exclusive property manager for the residential rental property or properties identified in Schedule A (each a "Property" and collectively the "Properties"). Agent accepts the appointment and is authorized to advertise, lease, operate, collect funds for, maintain, and otherwise manage the Properties as provided in this Agreement and applicable Alabama law.

A single Agreement may govern multiple Properties owned or controlled by the same Owner. Each Property will be separately identified and accounted for in Agent's management records. Unless Schedule A states a property-specific exception, the same terms of this Agreement apply to every Property.

2. Term and Termination

The initial term is stated above. Unless otherwise stated in Schedule A, this Agreement continues month-to-month after the initial term. Either party may terminate the management relationship upon sixty (60) days' written notice.

Owner-initiated termination is subject to an orderly transition of management. Before Agent is required to release final Owner funds, records, keys, security-deposit responsibility, or management control, Owner must satisfy or provide funds for all outstanding obligations attributable to the Properties, including approved or completed vendor invoices, utilities, legal fees, court costs, tenant credits/refunds, chargebacks, returned payments, taxes or governmental charges Agent was authorized to pay, and any other liabilities properly incurred under this Agreement. Agent may retain sufficient Owner funds otherwise distributable to pay known or reasonably anticipated Property obligations, subject to applicable trust-account law.

Termination does not eliminate obligations that accrued before the effective termination date. Provisions concerning unpaid amounts, indemnity, records, confidentiality, legal compliance, and dispute resolution survive termination to the extent needed to enforce those obligations.

3. Agent's Management Authority

Owner authorizes Agent, acting in Owner's name when reasonably necessary, to:

- Market and advertise the Properties; communicate with prospects; show Properties; screen applicants using Agent's then-current lawful screening standards; and approve or deny applicants in compliance with fair-housing and other applicable law.
- Negotiate, prepare, sign, renew, amend, and enforce residential leases and related addenda on Owner's behalf, using Agent's standard lease forms and policies, unless a written property-specific restriction appears in Schedule A.
- Collect rent, late fees, security deposits, tenant reimbursements, and other amounts due under a lease; issue receipts and account for collected funds.
- Deliver lawful notices, communicate with tenants concerning defaults, and coordinate collections, dispossessory/eviction actions, and claims for unpaid rent or damages as provided below.
- Arrange maintenance, repairs, cleaning, lawn care, pest control, turnover work, inspections, and other services reasonably related to leasing, preserving, or operating the Property.
- Communicate and transact electronically through Agent's property-management software, e-mail, text, and other customary business systems.

4. Leasing, Rent, Deposits, and Late Fees

Agent may establish or adjust asking rent, lease incentives, and other ordinary leasing terms based on market conditions, except as specifically limited in Schedule A. Unless Owner specifies a different lawful amount in Schedule A, the tenant security deposit will equal one month's rent. Agent retains discretion over pet charges and leasing administration as stated in this Agreement.

Security deposits and other trust funds will be handled in accordance with applicable Alabama law and Alabama Real Estate Commission trust-account requirements. A standard tenant security deposit will equal one month's rent unless Owner specifies a different lawful amount in Schedule A. A tenant security deposit is separate from the Owner's $1,000 Property Reserve and may not be treated as operating cash except as lawfully applied.

Late fees may be charged when authorized by the lease. Agent has discretion to waive, reduce, reverse, or settle a late fee when Agent believes doing so reasonably serves collection, tenant relations, lease enforcement, or the Owner's overall interest. Waiving a late fee does not waive future rent, future late fees, or other lease defaults.

Pets and Pet Charges. Schedule A states whether pets are permitted at each Property. If pets are permitted, Agent may approve or deny an individual pet under Agent's standard pet policies and will charge a non-refundable pet fee of not less than $350.00 per approved pet, with the final amount determined by Agent. Pet restrictions and charges do not apply to a service animal or other assistance animal to the extent federal or state law prohibits treating the animal as a pet or charging a pet fee.

Tenant Screening and Approval. Agent uses standardized tenant-screening criteria for all conventional rental Properties. The current criteria are publicly available at https://southernbayrealty.net/tenant-screening/. Screening decisions and any lawful exceptions are within Agent's discretion and will be made only in accordance with applicable federal and Alabama law. Owner may not direct Agent to waive, modify, or create an exception to Agent's tenant-screening criteria for a particular applicant.

Housing Choice Voucher / Section 8 Applicants. For a Property participating in the Housing Choice Voucher program or another applicable housing-assistance program, Agent will follow the applicable PHA/HUD requirements and Agent's voucher-screening policy. Voucher applicants are evaluated primarily through voucher verification, program eligibility, and the applicant's responsibility for any tenant-paid portion of rent rather than ordinary income-to-rent or credit thresholds. If the voucher does not cover the full rent, Agent may verify the applicant's ability to pay the tenant-paid portion. Agent may apply other lawful screening requirements when required or permitted by the governing program, PHA, HUD, or applicable law.

5. Management Fee; No Additional Management Markups

Agent's recurring management compensation is ten percent (10%) of gross rents and late fees actually collected for the Properties. The 10% fee is deducted from those collected amounts before Owner distribution.

The 10% management fee is not charged against security deposits, owner contributions, Property Reserve funds, maintenance or repair charges, vendor invoices, tenant damage reimbursements designated for repair, insurance proceeds, utility reimbursements, or other pass-through funds. Agent does not charge an additional coordination percentage or maintenance markup for ordinary repair administration under this Agreement.

Sale and Listing Brokerage. If Owner elects to list any Property for sale during the term of this Agreement, Owner agrees that Southern Bay Realty shall serve as the exclusive listing brokerage for that Property and shall be entitled to a two percent (2%) listing-side commission based on the gross sales price. Owner agrees to execute any additional listing, agency-disclosure, MLS, or other documents reasonably required by Alabama law or applicable listing-service rules to place the Property on the market; such documents are intended to implement this appointment and do not alter the agreed 2% listing-side commission unless Owner and Agent expressly agree otherwise in writing. If a Property is sold to a tenant procured or placed by Agent during the management period, whether the sale occurs during the term of this Agreement or within ninety (90) days after termination of this Agreement, Southern Bay Realty shall be entitled to a two percent (2%) commission based on the gross sales price and shall handle the brokerage side of the transaction on Owner's behalf, subject to any agency disclosures, brokerage forms, or other documents required by Alabama law.

6. $1,000 Property Reserve

Owner shall maintain a minimum operating reserve of One Thousand Dollars ($1,000.00) for each Property managed under this Agreement (“Property Reserve”). The reserve is Owner money held for Property expenses and is separate from tenant security deposits or other tenant trust funds.

Agent may fund or replenish the Property Reserve from rents or other Owner funds otherwise distributable. If the reserve is insufficient, Owner shall promptly provide requested funds. Agent may hold Owner distributions when reasonably necessary to restore the required reserve or to pay approved, completed, pending, or reasonably anticipated Property obligations.

At termination, any remaining Property Reserve will be included in the final Owner accounting after outstanding Property obligations and lawful holdbacks are satisfied.

7. Owner Distributions; ACH Settlement Timing

Owner payouts are made only by ACH to the bank account designated by Owner through Agent’s approved payment or owner-portal system. Agent is not required to issue routine Owner distributions by cash, paper check, peer-to-peer payment application, or other method.

Tenant payments made by ACH or card are not treated as available for Owner distribution until the payment processor and financial institution have settled the funds to Agent and the funds are available for withdrawal. Agent is not required to advance or pre-fund unsettled tenant payments.

After Agent initiates an ACH distribution to Owner, the receiving bank and ACH network may require additional business days to post the funds. Timing varies by bank, weekends, holidays, returns, fraud review, and payment processor. A distribution is considered timely when Agent initiates it in the ordinary course after funds are settled and applicable reserves, fees, and Property obligations are accounted for.

8. Maintenance, Repairs, and Emergency Authority

Repair Responsibility and Authorization Thresholds. Minor maintenance or repair items under $100.00 that are attributable to tenant use, neglect, misuse, damage, routine tenant obligations, or another responsibility assigned to the tenant by the lease are the tenant's responsibility. This threshold does not transfer to a tenant any nonwaivable landlord duty under Alabama law and does not make the tenant responsible for normal wear and tear, structural or major-system failure, or an Owner responsibility merely because the repair costs less than $100.00. For non-emergency work costing $100.00 through $350.00, Agent may use reasonable discretion and authorize the work without prior Owner approval. For non-emergency work expected to exceed $350.00, Agent will obtain multiple estimates when reasonably practicable and obtain Owner approval before authorizing the work.

Emergency Repairs. Owner expressly authorizes Agent to order and begin emergency repairs immediately without prior Owner approval when Agent reasonably determines that delay could threaten life or safety, materially affect habitability, interrupt essential utilities, compromise security, violate an urgent governmental requirement, or cause or materially increase damage to the Property. Examples include active or substantial plumbing leaks, sewage backups, loss of water service, failed water heaters when materially affecting habitability, electrical hazards or outages affecting essential service, loss of required heating or cooling under conditions presenting a health or property risk, significant roof leaks, flooding, fire or storm damage, broken exterior doors or locks affecting security, gas leaks, or other comparable urgent conditions. Agent will use reasonable judgment regarding scope and cost and will notify Owner as soon as reasonably practical after emergency action is taken.

Owner is financially responsible for Property expenses properly incurred under this Agreement except charges properly assigned to and actually recovered from a tenant. A tenant chargeback does not relieve Owner of the obligation to ensure the vendor is paid if the tenant does not pay. Agent is not obligated to use its own funds to pay a Property expense. If Agent advances funds voluntarily, Owner shall reimburse Agent promptly upon demand.

Keys and Access. Owner shall provide Agent with four (4) working keys for each Property at the beginning of management, together with any required gate, mailbox, garage, alarm, or access devices reasonably necessary for management. If four working keys are not provided, Agent may have additional keys made and charge the actual locksmith, key-copying, hardware, or access-device cost to Owner as a Property expense.

9. Preferred Vendors and Default Vendor Selection

Owner's preferred vendors, if any, must be listed in Schedule B. If a vendor or service category is not specifically listed in Schedule B, Owner authorizes Agent to use Agent's selected vendors without obtaining additional vendor-selection approval.

Failure to list a preferred vendor in Schedule B is deemed Owner's agreement that Agent may default to its selected vendor for that category. A later vendor preference is effective only after Agent acknowledges it in writing or through the management system and does not require Agent to cancel work already authorized.

Owner-preferred vendors must be properly licensed, insured, and otherwise qualified when required by law or the nature of the work, must communicate and schedule in a commercially reasonable manner, and must accept Agent's normal work-order and access procedures. Agent may decline to use an Owner-preferred vendor when Agent reasonably believes the vendor is unavailable, unqualified, uninsured, unsafe, legally noncompliant, or likely to cause unreasonable delay.

Owner understands that Agent's selected vendors may include businesses with referral relationships, business relationships, common ownership, or other disclosed interests involving Agent or its principals. The use of any such vendor does not alter the Owner's responsibility for the vendor's invoice, and Agent will not add a management percentage to the vendor's charge.

10. Routine Property Inspections and Tenant-Caused Deficiencies

Agent will conduct two (2) routine management inspections of each occupied Property per calendar year, subject to tenant-access rights, notice requirements, lease terms, emergencies, and reasonable scheduling. Additional inspections may be performed when Agent determines they are reasonably necessary.

If an inspection identifies lease-related deficiencies attributable to the tenant—including excessive cleanliness issues, improper yard or lawn maintenance, trash or debris, unauthorized conditions, preventable damage, or similar tenant obligations—Agent may require correction and, when authorized by the lease and applicable law, arrange professional services to remedy the deficiency and charge the tenant for the resulting cost.

A tenant chargeback does not shift ultimate vendor-payment responsibility away from Owner. If a tenant fails or refuses to pay a properly assessed repair, cleaning, lawn, or other remediation charge, Owner remains responsible for paying the vendor or reimbursing Agent, while Agent may continue lawful collection efforts against the tenant and may apply tenant funds or security deposit amounts when legally permitted.

11. Delinquency, Collections, and Evictions

Agent will use reasonable collection practices and may deliver notices or take other steps permitted by the lease and Alabama law when rent is unpaid. For a tenant who is less than thirty (30) calendar days delinquent, the timing and method of collection activity, payment arrangements, notices, or commencement of eviction proceedings are within Agent's reasonable discretion.

Once a tenant is thirty (30) or more calendar days delinquent, Owner may direct Agent in writing to commence an eviction or dispossessory process. Any such action remains subject to legally required notices, cure periods, court procedure, attorney advice, and Agent's obligation to comply with applicable law.

Filing fees, service fees, court costs, attorney fees, sheriff/constable fees, writ fees, lockout costs, and other third-party costs of eviction or collection are Property expenses and are the Owner's responsibility. Agent does not charge an additional management or coordination fee merely for communicating with counsel or coordinating a routine eviction under this Agreement.

Agent does not guarantee rent payment, tenant collectability, recovery of judgments, or the outcome or timing of any eviction or court action.

12. Owner Responsibilities and Representations

Owner represents, warrants, and agrees that:

- Owner has legal authority to enter this Agreement and to lease each Property listed in Schedule A.
- Owner will keep each Property in a condition required by applicable law, governing documents, insurance requirements, and lawful lease obligations, and will provide funds necessary to do so.
- Owner will disclose known material defects, code issues, environmental hazards, lead-based paint information when applicable, pending governmental notices, insurance claims, mortgage or foreclosure issues, HOA/condominium restrictions, and other matters that may materially affect management or leasing.
- Owner will maintain appropriate property, casualty, and premises-liability insurance and will identify Agent/property manager as an additional insured or additional interest when commercially available and appropriate.

- Owner will not direct Agent to discriminate or take action prohibited by federal, state, or local fair-housing, consumer-protection, landlord-tenant, licensing, or other applicable law.
- Owner will timely provide tax forms, banking information, ownership documentation, insurance information, and other records reasonably requested for management, accounting, or legal compliance.

13. Trust Funds; Accounting; Records

Agent will handle trust funds and maintain property-management records in accordance with applicable Alabama Real Estate Commission requirements. Owner will have access to statements and transaction information through Agent's owner portal or management system.

Agent may correct accounting errors, reverse returned payments, and adjust Owner statements when a tenant payment is returned, charged back, reversed, disputed, or otherwise not finally collected. Owner shall promptly reimburse any resulting negative balance.

Agent may retain records electronically. Owner authorizes electronic delivery of statements, work orders, notices, leases, and other management records unless applicable law requires another method.

14. Insurance, Casualty, and Risk Allocation

Owner bears the economic risk of ownership, including casualty, vacancy, tenant default, ordinary deterioration, code compliance, capital replacement, and uninsured or underinsured loss. Agent is not an insurer and does not guarantee the condition, profitability, occupancy, or future value of a Property.

Agent will use reasonable efforts to notify Owner of a known significant fire, storm, casualty, or insurable event. Owner is responsible for giving required notice to the insurer, pursuing claims, selecting coverage, and paying deductibles unless Owner separately authorizes Agent in writing to assist.

To the fullest extent permitted by law, Owner will defend, indemnify, and hold Agent and its brokers, licensees, employees, and representatives harmless from third-party claims, losses, liabilities, and reasonable costs arising from ownership or condition of the Property or from Owner's acts, omissions, instructions, or breach of this Agreement, except to the extent finally determined to have resulted from Agent's gross negligence, willful misconduct, or conduct for which indemnification cannot lawfully be required.

15. Legal Compliance; Fair Housing; No Legal or Tax Advice

Agent may take actions reasonably necessary to comply with the Alabama Uniform Residential Landlord and Tenant Act, Alabama real estate license law and rules, fair-housing law, court orders, governmental requirements, and other applicable law. If a provision of this Agreement conflicts with nonwaivable law, the law controls and the remaining provisions continue in effect.

Agent's property-management services do not constitute legal, tax, engineering, environmental, insurance, or construction advice. Agent may recommend that Owner consult appropriate licensed professionals when an issue is outside ordinary property-management services.

16. Communication and Owner Portal

All routine reporting is provided through Agent's property-management software and is made available to Owner through the Owner portal. This includes owner statements, rent activity, work orders, invoices or expense records made available by the system, leases and stored documents, fund requests, and routine management notices. Agent is not required to mail or separately e-mail reports that are available through the portal unless a different reporting method is expressly stated in the Other Terms section of this Agreement.

Owner Communication and Review. Each Property will have an assigned property manager. Agent will make the assigned property manager known to Owner, and assignments may change at Agent's discretion. Routine Property questions should generally be directed to the assigned property manager. The Qualifying Broker is available upon reasonable request for a necessary meeting, escalation, or review. Depending on the subject matter, reports or account activity may be reviewed with Owner by the assigned property manager, Agent's in-house accountant, or the Qualifying Broker. If Owner needs assistance understanding or reviewing portal reports, a review may be scheduled within a reasonable number of business days. Agent may otherwise communicate by portal, e-mail, text, or telephone. Owner consents to electronic signatures and electronic records to the extent permitted by law.

17. Governing Law; Venue; Enforcement

This Agreement is governed by Alabama law. Unless applicable law requires otherwise, venue for a dispute arising from this Agreement shall lie in a court of competent jurisdiction in Mobile County, Alabama. Owner shall reimburse Agent for reasonable collection costs and attorney fees incurred because of Owner’s breach or failure to pay amounts due under this Agreement, to the extent permitted by law.

If any provision is held invalid or unenforceable, it will be enforced to the maximum extent lawful and the remaining provisions will remain effective. No waiver is continuing unless stated in writing. This Agreement, Schedule A, Schedule B, and any signed addenda are the entire property-management agreement between Owner and Agent concerning the Properties and supersede prior inconsistent management terms.

18. Other Terms and Owner Special Requests

Any owner-wide special request, alternate reporting request, additional restriction, or negotiated term must be written in the Other Terms box below and accepted as part of this Agreement. Property-specific rent, security-deposit, pet, and vendor selections should instead be entered in Schedule A or Schedule B. Agent is not bound by an oral request or by a special request that conflicts with applicable law, brokerage duties, fair-housing obligations, Agent's standardized tenant-screening policy, or the express terms of this Agreement.

SCHEDULE A — MANAGED PROPERTIES & PROPERTY-SPECIFIC TERMS

Complete one row per property. If Owner leaves the Owner-Specified Security Deposit blank, the security deposit will equal one month's rent. Mark YES or NO for pets. A YES authorizes Agent to administer pets under Agent's standard pet policies and the pet-charge provisions of this Agreement.

Property Address	Target Rent	Minimum Rent	Owner-Specified Security Deposit	Pets Allowed?	Reserve
	$	$	$		$1,000
	$	$	$		$1,000
	$	$	$		$1,000
	$	$	$		$1,000
	$	$	$		$1,000
	$	$	$		$1,000
	$	$	$		$1,000
	$	$	$		$1,000

Unless a row states otherwise: the management fee is 10% of rents and late fees actually collected; the required Owner Property Reserve is $1,000 per Property; standard leasing and management discretion in the Agreement applies.

SCHEDULE B — OWNER PREFERRED VENDORS

List only vendors Owner wants Agent to use in preference to Agent's selected vendors. A blank category authorizes Agent to use its selected vendor. Listing a vendor does not require Agent to use that vendor when the Agreement permits Agent to decline or bypass the vendor.

Service Category	Vendor / Company	Phone	E-mail / Notes
HVAC			
Plumbing			
Electrical			
Lawn / Yard			
Cleaning / Turnover			
General Repair			
Roofing			
Other			

OWNER ADMINISTRATIVE INFORMATION

ACH PAYOUT BANK	Bank information to be entered through Agent's approved ACH / Owner portal process.
OWNER PERSONAL ADDRESS	
SOCIAL SECURITY NUMBER	
INSURANCE CARRIER / AGENT	
EMERGENCY CONTACT	

OTHER TERMS / OWNER SPECIAL REQUESTS

SIGNATURES

By signing, Owner acknowledges receipt of this Agreement, Schedule A, and Schedule B; authorizes Agent to manage the listed Properties under these terms; and represents that the information supplied is accurate. Electronic signatures and counterparts may be used to the extent permitted by law.

____
OWNER SIGNATURE

____
DATE

____
PRINTED OWNER / ENTITY NAME

____
TITLE / CAPACITY (if entity)

____
SOUTHERN BAY REALTY REPRESENTATIVE SIGNATURE

____
DATE

Operational form prepared for Southern Bay Realty. Because property-management law, lease practices, and brokerage requirements can change, the final adopted form should be approved by the company's Alabama qualifying broker and legal counsel.