

**SETTLEMENT AGREEMENT
BETWEEN THE CIVIL RIGHTS DIVISION OF THE MARYLAND ATTORNEY
GENERAL AND
BAY MANAGEMENT GROUP, LLC
CONCERNING DISCRIMINATORY ADVERTISING PRACTICES**

I. THE PARTIES AND SUBJECT PROPERTY

1. The State of Maryland is represented by the Attorney General of Maryland. The Civil Rights Division of the Office of the Attorney General of Maryland (“Civil Rights Division”) is authorized to investigate, litigate, and resolve civil rights violations, including housing discrimination, and to seek injunctive relief, restitution, civil penalties, attorney fees, and costs of investigation. Md. Code, State Gov’t § 20-1041.
2. Bay Management Group, LLC (“Bay Management”) is a limited liability company that provides residential property management and related real estate services in Maryland.
3. The term “Maryland Properties” means all residential properties in Maryland that Bay Management owns, manages, leases, markets, or otherwise services during the term of this Agreement.

II. BACKGROUND

4. The Civil Rights Division opened an investigation after receiving information that Bay Management advertised Maryland rental housing that included the statement that applicants must have a “clean criminal background check” or materially similar language.
5. The Civil Rights Division reviewed public advertisements, other public-facing materials, and tenant screening forms and policies, subpoenaed records, and conducted voluntary oral examinations of Bay Management personnel.
6. On March 10, 2026, the Civil Rights Division found reasonable cause to believe that Bay Management violated Md. Code, State Gov’t § 20-705(3), 42 U.S.C. § 3604(c), and 24 C.F.R. § 100.75 when Bay Management published or caused to be published advertisements for rental housing that included statements that categorically excluded persons with a “criminal background.” These statements would reasonably discourage potential tenants from applying for rental housing, resulting in a disparate effect based on race.
7. The Civil Rights Division also identified additional areas of concern relating to Bay Management’s credit score screening criteria and certain voucher-related messaging.
8. Bay Management denies all liability and disputes that it violated any civil rights laws, including but not limited to Md. Code, State Gov’t § 20-705(3), 42 U.S.C. § 3604(c), and/or 24 C.F.R. § 100.75.

III. DEFINITIONS

9. “Criminal History” means information regarding an applicant’s prior arrests, charges, convictions, pleas, incarceration, or other criminal legal system involvement.
10. “Effective Date” means the date of the last signature below.
11. “Fair Housing Coordinator” means the Bay Management employee designated under Paragraph 24 to oversee implementation of this Agreement and serve as the primary contact for the Civil Rights Division.
12. “Individualized Assessment” means Bay Management’s review, before a final denial based solely on Criminal History, of information submitted by an applicant under the approved criminal-history screening policy.
13. “Relevant Personnel” means all Maryland leasing, screening, property management, supervisory, compliance, and training personnel, and any contractor materially involved in applicant screening, advertising, leasing, adverse action communications, Individualized Assessment, or applicant-facing communications for Maryland Properties.

IV. THE PARTIES’ AGREEMENT

14. This Agreement is a full and final compromise settlement of all civil claims under Maryland and federal fair housing law that the Civil Rights Division could have brought against Bay Management, as of the Effective Date, based on the facts described in the findings letter dated March 10, 2026. By execution of this Agreement, the Civil Rights Division fully and finally releases all such claims against Bay Management. This Paragraph does not release any claim arising from Bay Management’s future conduct, any breach of this Agreement, or facts materially different from those described in the findings letter.

V. APPLICATION AND TERM

15. The provisions of this Agreement shall apply to Bay Management and its principals, officers, directors, employees, agents, successors, assignees, parent or controlling entities, wholly owned subsidiaries, and any merged or acquired entities operating in Maryland, to the extent those persons or entities act with respect to Maryland Properties.
16. The obligations in this Agreement shall remain in effect for three years from the Effective Date unless a different deadline is expressly agreed-to by the parties in writing.
17. After the termination of this Agreement, Bay Management’s ongoing obligations under Maryland and federal fair housing law, including any policies adopted under this Agreement, shall remain in effect for as long as Bay Management offers services in Maryland.

VI. CHANGES TO POLICY, PRACTICES, AND TRAINING

18. Bay Management affirms that it shall not engage in unlawful discriminatory practices with respect to the rental, marketing, screening, or management of housing in Maryland and shall comply with

Maryland and federal fair housing law.

19. Bay Management shall implement a criminal-history screening policy for Maryland Properties that will be approved, in writing, by the Civil Rights Division. The approved policy shall be attached to and incorporated into this Agreement as Exhibit A before execution. The policy shall govern Bay Management's consideration of Criminal History and any Individualized Assessment required by applicable law, including Senate Bill 937, the Maryland Fair Chance Housing Act, 2026 Regular Session, if that legislation becomes effective during the term of this Agreement.
20. Bay Management shall not use the phrases "clean criminal background," "clean criminal history," or materially similar language in any rental advertisement, qualification criteria summary, website content, social media posting, blog content, form communication, or other public-facing or applicant-facing material for Maryland Properties. Bay Management shall ensure that any public-facing or applicant-facing statement concerning Criminal History does not categorically exclude, discourage, or otherwise indicate that applicants with Criminal History are ineligible or disfavored for housing, except to the extent a statement is expressly required by law.
21. Bay Management shall include Civil Rights Division-approved language in its Maryland rental application form stating that applicants who may be denied based solely on Criminal History may submit information for Individualized Assessment under Bay Management's criminal-history screening policy. Bay Management shall also include Civil Rights Division-approved language in any written notice or template used to inform an applicant that Bay Management has withdrawn a conditional offer or denied housing based solely on Criminal History.
22. Within 15 days after receipt of the policy and materials required above, the Civil Rights Division shall notify Bay Management whether they are approved or whether revisions are required.
23. Within 15 days after the Effective Date, Bay Management shall adopt, distribute, and implement the approved policy and materials at all Maryland Properties and shall certify in writing that superseded Maryland advertising and applicant-facing materials have been withdrawn from use.
24. Within 30 days of the Effective Date, Bay Management shall designate a Fair Housing Coordinator, who may be an existing employee. The Coordinator shall be responsible for implementation of this Agreement, receiving and tracking complaints related to the matters addressed by this Agreement, maintaining records required by this Agreement, reviewing Criminal History-related applicant-facing materials, and serving as Bay Management's point of contact with the Civil Rights Division.
25. Bay Management shall review Criminal History-related public-facing and applicant-facing materials for compliance with this Agreement before using them in Maryland.
26. Within 90 days of the Effective Date, and at least once every two years thereafter during the term of this Agreement, Bay Management shall provide fair housing training to all Relevant Personnel. The Civil Rights Division confirms that it has already reviewed and approved Bay Management's selected training provider, training agenda, and materials. Bay Management therefore need not resubmit the same course materials during the term of this Agreement unless the trainer, provider, agenda, or course materials materially change. Bay Management shall also provide supplemental training on the policies adopted under this Agreement within 90 days of the Effective Date and to all new Relevant Personnel within 14 days of hire or engagement.
27. Bay Management shall provide the approved policies and materials required by this Agreement to all new Relevant Personnel within 14 days of hire or engagement during the term of this Agreement.
28. On or before December 31 of each year during the term of this Agreement, Bay Management shall

certify to the Civil Rights Division that Bay Management has materially complied with the policy, materials, training, notice, and compliance obligations in this Agreement during preceding period since the previous certification. Each certification shall include: (a) copies of any Criminal History-related advertising, application, denial-notice, or applicant-facing template language that were revised or newly implemented during the reporting period; (b) a description of any material issues affecting the implantation of the terms of this Agreement and any corrective action taken; and (c) the dates, training provider, and attendance records for trainings provided under this Agreement, which may be satisfied by a report from the approved training provider identifying each Relevant Personnel employee's name, department or role, course taken, and completion date.

29. Bay Management shall maintain records sufficient to verify compliance with this Agreement, including the approved policy, approved applicant-facing materials, training records, applicant notices required by this Agreement, application-fee waiver records, complaint records, and records concerning Individualized Assessments conducted under the approved criminal-history screening policy, during the term of this Agreement. If the Civil Rights Division has a reasonable basis to believe that records maintained under this Paragraph are necessary to investigate a good faith concern regarding Bay Management's compliance with this Agreement, the Civil Rights Division may request those records by written notice identifying the provision or provisions of this Agreement to which the request relates, the basis for the request, and the categories of records requested. If Bay Management objects to the scope or basis of the request, the Parties shall meet and confer in good faith within 14 days of Bay Management's objection to attempt to resolve or narrow the request. Bay Management shall produce any agreed-upon responsive records within 30 days of the Civil Rights Division's written request or within another period agreed to in writing by the Parties. Nothing in this Paragraph limits the Civil Rights Division's statutory authority or Bay Management's right to object to any request under applicable law.
30. Within 60 days of the Effective Date, Bay Management shall revise its Maryland policies, application materials, and public-facing materials to state that lawful sources of income, including housing vouchers, are accepted where required by law. Bay Management shall also revise any Maryland screening policies concerning voucher-related credit criteria as necessary to comply with House Bill 315, 2026 Regular Session, if that legislation becomes effective during the term of this Agreement. Upon request, Bay Management shall confer with the Civil Rights Division regarding implementation of any such revisions.

VII. RESTITUTION, NOTICE, AND CIVIL PENALTIES

31. Within 90 days of the Effective Date, Bay Management shall make good-faith efforts to identify Maryland applicants since January 1, 2022, who were denied, screened out, or had a conditional offer withdrawn based solely on Criminal History.
32. Within 120 days of the Effective Date, Bay Management shall offer a one-time application-fee waiver to each person identified under Paragraph 31 who applies for an available Maryland Property during the reapplication period described in Paragraph 33. Bay Management shall also waive or refund any application fee paid by an applicant who was previously denied based solely on Criminal History without individualized consideration and who, after submitting mitigating or corrective information through Bay Management's approved criminal-history screening policy, is approved for tenancy. Nothing in this Paragraph requires Bay Management to waive or refund application fees for applicants whose applications are denied for reasons unrelated to Criminal History, including income, rental history, creditworthiness, incomplete application materials, or failure to satisfy other lawful, nondiscriminatory criteria.
33. Within 120 days of the Effective Date, Bay Management shall provide written notice to all persons

identified under Paragraph 31. The notice shall be subject to approval by the Civil Rights Division and shall inform recipients that Bay Management has revised its criminal-history advertising and applicant-facing materials and will permit them to apply for an available Maryland Property without charge during the notice period. Bay Management shall maintain this reapplication opportunity for at least two years from the Effective Date.

34. Within 60 days of the Effective Date, Bay Management shall pay the State of Maryland a civil penalty in the amount of \$30,000.00 pursuant to Maryland Code, State Government § 20-1046. Payment under this paragraph shall be by wire transfer or certified funds pursuant to instructions provided by the Office of the Attorney General. In exchange for the civil penalty and other terms of this Agreement, the Civil Rights Division waives any claim for investigative costs, monitoring costs, attorney fees, or other monetary costs arising from the investigation resolved by this Agreement.

VIII. ADDITIONAL TERMS

35. This Agreement represents the full and complete terms of the settlement entered into by the Parties.
36. If Bay Management ceases to perform property management services in the State of Maryland or otherwise changes its corporate structure during the term of this Agreement, Bay Management shall notify the Civil Rights Division within 10 days of learning of that change. Bay Management shall remain responsible for all obligations accrued or triggered before the change and for any continuing obligations expressly made applicable to successors, assignees, parent or controlling entities, wholly owned subsidiaries, and merged or acquired entities under this Agreement.
37. If the Civil Rights Division has reasonable cause to believe that Bay Management has materially breached this Agreement, the Civil Rights Division shall provide written notice describing the alleged breach. Bay Management shall have 30 days from receipt of the notice to cure the alleged breach, or such additional time as the Civil Rights Division may allow for good cause. If Bay Management fails to cure within that period, the Civil Rights Division may file an action in a court of competent jurisdiction to enforce this Agreement. If a court determines that Bay Management has materially breached this Agreement, Bay Management shall be responsible for the Civil Rights Division's costs of enforcement, including reasonable attorney fees, expenses, and court costs.
38. Each representative executing this Agreement certifies that they are authorized to enter into and consent to the terms of this Agreement and to legally bind the party on whose behalf they sign. This Agreement may be executed in counterparts.
39. The Parties may amend this Agreement only by a written instrument signed by all Parties.
40. This Agreement does not bar any individual from pursuing a complaint or private action otherwise permitted by law against Bay Management. Execution of this Agreement by Bay Management is not, and shall not be construed as, an admission of liability or wrongdoing.
41. Failure by the Civil Rights Division to enforce any deadline or provision of this Agreement shall not be construed as a waiver of the Civil Rights Division's right to enforce this Agreement.
42. This Agreement is a public document. The Civil Rights Division may publish it on its website and provide it to any person upon request. Attachments, reports, or other materials containing confidential personal information may be withheld or redacted consistent with the law.
43. Notices required by this Agreement shall be sent by email and first-class mail to the following:

Date: August 31, 2026



Jonathan M. Smith, Chief

Date: August 31, 2026



Marquel Melton, Assistant Attorney General
Civil Rights Division
Office of the Attorney General
200 Saint Paul Place
Baltimore, MD 21202
mmelton@oag.maryland.gov

Date: August 31, 2026



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Exhibit A

BAY MANAGEMENT GROUP LLC'S CRIMINAL HISTORY SCREENING POLICY

Policy Overview

Bay Management Group, LLC ("BMG") will evaluate Maryland rental applicants fairly, consistently, and in compliance with federal and Maryland fair housing law, any other legal requirements, and applicable Maryland law regarding criminal history screening.

Applicants will not be denied solely because they have a criminal record. Criminal history is not an automatic bar to tenancy unless federal law requires denial for the property or program. Criminal history may be considered only through the process below and only when it is relevant to a substantial, legitimate, and nondiscriminatory interest.

This policy applies to BMG personnel and to any screening vendor, leasing agent, contractor, or other person materially involved in advertising, leasing, screening, adverse-action communications, individualized assessment, or applicant-facing communications for Maryland rental properties on BMG's behalf.

Evaluation Process

BMG will use the following sequence for Maryland rental applications:

Step One: Non-criminal screening. BMG first reviews lawful, nondiscriminatory non-criminal criteria, including income, rental history, creditworthiness where lawfully considered, identity verification, occupancy limits, and other permissible criteria. If the applicant satisfies those criteria and application requirements, BMG will issue a conditional offer of tenancy before conducting any criminal-history review, unless federal law requires otherwise.

Step Two: Limited criminal-history screening. After a conditional offer, BMG may conduct a criminal-history records check for adult household members. BMG may consider only records that this policy and applicable law allow. BMG will not consider arrests that did not result in conviction, charges resolved without conviction, expunged, sealed, vacated, reversed, pardoned, or juvenile records, convictions for conduct that is no longer criminal under Maryland law, records outside the permitted lookback period, or information BMG knows or has reason to believe is inaccurate, incomplete, or outdated.

Step Three: Individualized assessment. If a criminal-history record may support withdrawal of the conditional offer, BMG will notify the applicant and give the applicant at least fourteen calendar days to submit written evidence signed under penalty of perjury, showing that the record is inaccurate, or showing evidence of rehabilitation, or other mitigating information. If the applicant does not submit information by the deadline, BMG will complete the assessment based on available information.

Individualized Assessment Factors

BMG will consider each applicant individually and will apply this policy consistently. The purpose of the assessment is to decide whether withdrawal of the conditional offer is necessary to serve a substantial, legitimate, and nondiscriminatory interest relating to tenancy obligations, safety, or protection of property. BMG will consider the following factors, as applicable:

- the nature and severity of the offense;
- the applicant's age at the time of the offense;
- the time elapsed since the offense and any period of good conduct;
- the number and nature of any other records that may lawfully be considered;

- whether the offense has a direct and specific connection to resident safety, employee safety, or property protection;
- whether the offense occurred on or was connected to rental property;
- evidence of rehabilitation, including employment, education, job training, treatment, counseling, completion of supervision requirements, payment of restitution, recommendations from reliable sources, and positive rental history before or after the offense;
- whether the conduct arose from domestic violence, sexual assault, stalking, dating violence, disability, or another circumstance relevant to fair housing compliance; and
- any other information submitted by or on behalf of the applicant that bears on whether the applicant can meet tenancy obligations.

BMG will not withdraw a conditional offer based on generalized assumptions, stereotypes, fear, speculation, or the mere existence of a criminal-history record.

Decision, Notice, and Reassessment

If BMG approves the applicant after individualized assessment, the application will proceed under BMG's ordinary leasing process. If BMG withdraws a conditional offer or takes adverse action based on criminal history, BMG will send a written notice that identifies the specific reason for the decision, how the applicant may request reassessment or submit additional information, and how the applicant may request the information BMG relied on.

If the applicant requests the information relied on within thirty days of the written notice of the withdrawal of the conditional offer, BMG will provide that information, including criminal-history records, free of charge within ten calendar days after receiving the request. If the applicant timely submits additional information or requests reassessment, BMG will review the additional information, document the decision, and provide the applicant a written final decision.

Third-Party Screening Providers, Agents, and Contractors

BMG will provide this policy to any third-party screening provider, leasing agent, contractor, or other person materially involved in advertising, leasing, screening, adverse-action communications, or applicant-facing communications for Maryland rental properties on BMG's behalf. BMG will not allow a screening provider, algorithm, score, or recommendation to make final admission decisions inconsistent with this policy.

Confidentiality and Records

Criminal-history information will be treated as confidential and used only to evaluate housing eligibility under this policy. Only personnel with a business need to apply this policy may access criminal-history information. BMG will maintain records relating to criminal-history notices, individualized assessments, reassessments, adverse-action notices, and decisions as required by the applicable settlement agreement and applicable law.