

**NEW HAMPSHIRE HOUSING FINANCE AUTHORITY
MANAGEMENT AGREEMENT**

THIS AGREEMENT is made this _____ day of _____, 20____
between _____ (the OWNER)
AND _____ (the AGENT).

1. **Appointment and Acceptance:** The OWNER appoints the AGENT as exclusive agent for the management of the property described in Section 2 of this AGREEMENT, and the AGENT accepts the appointment, subject to the terms and conditions set forth in the AGREEMENT.
2. **Description of Project:** The property to be managed by the AGENT under this AGREEMENT (the "PROJECT") is a housing development consisting of the land, buildings, and other improvements.

Name: _____
Location: City or Town: _____ County: _____
State: _____ Number of Dwelling Units: _____

3. **Definitions: As used in this AGREEMENT:**
 - a) "Mortgagee" means New Hampshire Housing Finance Authority (NHHFA).
 - b) "Principal Parties" means the OWNER and the AGENT.
 - c) "Consenting Party" means New Hampshire Housing Finance Authority (NHHFA).
4. **NHHFA Requirements:** The OWNER has or will enter into a Regulatory Agreement. In performing its duties under this MANAGEMENT AGREEMENT, the AGENT will comply with all pertinent requirements of the Regulatory Agreement and the directives of NHHFA. In the event of any instructions by the OWNER, which is in contravention of such requirements, the latter will prevail.
5. **Management Plan:** Attached hereto as Exhibit "A" and hereby incorporated herein, is a copy of the Management Plan for the PROJECT, which provides a comprehensive and detailed description of the policies and procedures to be followed in the management of the project. In many of its provisions, this AGREEMENT briefly defines the nature of the AGENT'S obligations with the intention that reference be made to the Management Plan for more detailed policies and procedures. Accordingly, the OWNER and the AGENT will comply with all applicable provisions of the Management Plan, regardless of whether specific reference is made thereto in any particular provision of this AGREEMENT.
6. **Basic Information:** As soon as possible, the OWNER will furnish the AGENT with a complete set of plans and specifications and copies of all guarantees and warranties pertinent to construction, fixtures, and equipment. With the aid of this information and inspection by competent personnel, the AGENT will thoroughly familiarize itself with the character, location, construction, layout, plan, and operation of the PROJECT, and especially the electrical, heating, plumbing, air conditioning and ventilating systems, the elevators, and all other mechanical equipment.

7. **Liaison with Architect and General Contractor:** During the planning and construction phases, the AGENT will maintain direct liaison with the architect and general contractor, in order to coordinate management concerns with the design and construction of the PROJECT, and to facilitate completion of any work and the AGENT'S responsibilities for arranging facilities and services pursuant to Section 13 of this AGREEMENT. The AGENT will keep the OWNER advised of all significant matters in this connection.
8. **Marketing:** The AGENT will carry out the marketing in accordance with the approved Resident Selection Plan, Marketing Plan and Affirmative Fair Housing Marketing Plan as attached. Subsequent to initial rent-up, advertising expenses will be paid out of the Project Operations Account, as Project Expenses or from a marketing reserve.
9. **Rentals:** The AGENT will offer for rent and will rent the dwelling units in the PROJECT. Incident hereto, the following provisions will apply:
 - a) The AGENT will make preparations for initial rent-ups, as described in the Management Plan, Resident Selection Plan and Marketing Plan. The AGENT shall formulate renting plans and policies and advertise the premises or portions thereof, prepare and secure signs, publicity releases, brochures, layouts, circulars, and other materials necessary for the proper discharge of its responsibilities hereunder. Such expenses shall be paid out of the allowable funds from the Marketing Reserve, if applicable.
 - b) The AGENT will show the premises to prospective tenants.
 - c) The AGENT will follow the tenant selection policy described in the Management Plan.
 - d) The AGENT will take and process applications for rentals. If an application is rejected, the applicant will be told the reason for rejection, and the rejected application, with reason for rejection noted thereon, will be kept on file for three (3) years. A current list of prospective tenants will be maintained.
 - e) The AGENT will prepare all dwelling leases, parking permits, and will execute the same in its name, identified hereon as AGENT for the OWNER. All leases and lease terms will be in a form prescribed by the NHHFA and will comply with the pertinent provisions of the Regulatory Agreement, Housing Assistance Payments Contract (if applicable), and the directives of NHHFA.
 - f) The AGENT will anticipate needs for rental increases and alert the OWNER to this requirement. The AGENT will furnish the necessary documentation and information and upon approval by the OWNER will submit a formal request to NHHFA for necessary rent increase. Failure to promptly meet this requirement will be considered a breach of this AGREEMENT.
 - g) The OWNER will furnish the AGENT with rent and income schedules, as from time to time approved by NHHFA, showing contract rents as appropriate for dwelling units, and other charges for facilities and services, and income data pertinent to determination of tenant's eligibility and tenant rents. In no event shall such rents and charges be exceeded.
 - h) The AGENT will counsel all prospective tenants regarding eligibility and will prepare and verify eligibility certifications and recertification in accordance with the Regulatory Agreement and the directives of NHHFA. The AGENT shall obtain evidence sustaining the information given on the tenant's certifications and recertifications of income and retain the evidence in its files for a period of three (3) years. If recertification reveals a change in income whereby a tenant becomes eligible for a

- b) Subject to the OWNER'S prior approval the AGENT will contract with qualified independent contractors for the maintenance and repair of air-conditioning systems and elevators and for extraordinary repairs beyond the capability of regular maintenance employees.
 - c) The AGENT will systematically and promptly receive and investigate all service requests from tenants, take such action thereon as may be justified, and will keep records of the same. Emergency requests will be received and serviced on a twenty-four (24) hour basis. Complaints of a serious nature will be reported to the OWNER after investigation.
 - d) The AGENT is authorized to purchase all materials, equipment, tools, appliances, supplies and services necessary to the proper maintenance and repair at “ _____ ” as an expense of the PROJECT.
 - e) Notwithstanding any of the foregoing provisions, the prior approval of the OWNER will be required for any expenditure which exceeds \$ _____ any one instance for labor, materials, or otherwise in connection with the maintenance and repair of the PROJECT, except for recurring repairs involving manifest danger to persons or property, or required to avoid suspension of any necessary service. In latter event, the AGENT will notify the OWNER of the fact as promptly as possible.
 - f) The AGENT shall take such action as may be necessary to comply promptly with any and all statutes, ordinances, regulations, orders or other requirements affecting the PROJECT, whether imposed by Federal, State, or local authority; provided, however, that the AGENT shall not take such action so long as the OWNER is consenting, or has affirmed its intention to contest, the same. Each party shall promptly notify the other in writing of all notices of government requirements received by that party.
13. **Utilities and Services:** In accordance with the Management Plan, the AGENT will make arrangements for water, electricity, gas, fuel oil, sewage and trash disposal, vermin extermination, decorating, laundry facilities, and telephone service. Subject to the OWNER'S prior approval, the AGENT will make such contracts as may be necessary to secure such utilities and services.
14. **Employees:** Exhibit "B" of the AGREEMENT prescribes the number, qualifications and duties of the personnel to be regularly employed in the management of the PROJECT, including a Resident Manager (if applicable), Social Services Director (if applicable), and maintenance, bookkeeping, clerical, and other managerial personnel. All such personnel shall be the employees of the AGENT and not the OWNER, and will be hired, paid, supervised, and discharged by the AGENT.
- a) The OWNER will reimburse the AGENT for compensation including fringe benefits payable to the maintenance employees and managerial personnel (except supervisory staff, i.e., occupancy maintenance and regional supervisors) who perform front line management tasks, as prescribed in the Management Plan, and for all Federal, State, and local taxes and assessments (including workmen's compensation, etc.) incident to the employment of such personnel. Such reimbursements, subject to the OWNER'S approval, will be paid out of the Project Operations Account and will be treated as project expenses. The rental value of any dwelling unit furnished rent-free to the Resident Manager or Superintendent will not be considered a part of his/her compensation but will instead be treated as a cost borne by the OWNER. For the purpose of this section, costs associated with front line management tasks are chargeable to the Project Operations Account regardless of whether the staff works out of the AGENT'S office or at the PROJECT site. Front line tasks include, but are not limited to, taking applications, screening applicants,

certifying, and recertifying tenants, maintaining the project and positive control over project income and expenses.

- b) The AGENT will establish and follow an employment policy which affords residents of the PROJECT opportunities for employment in the management and operation of the PROJECT.
 - c) To the greatest extent feasible, the services of regular maintenance and repair employees shall be used in the PROJECT. However, the AGENT shall engage qualified independent contractors for exterminating services, maintenance and repair of air-conditioning systems and extraordinary repairs beyond the capability of regular maintenance employee.
15. **Budgets:** Annual operating budgets for the AGENT will be approved by the OWNER. Except as permitted under Subsection 12 (c) above, annual disbursements for each type of operating expenses itemized in the budget will not exceed the amount authorized by the approved budget. Subsequent to the initial year of occupancy, the AGENT will prepare a recommended operating budget for each fiscal year beginning during the term of this AGREEMENT, and will submit the same to the OWNER at least forty-five to sixty days before the beginning of the fiscal year. The OWNER will promptly inform the AGENT of changes, if any, to be incorporated in the approved budget and the AGENT will keep the OWNER informed of any anticipated deviation from the receipts of disbursements stated in the approved budget. Thirty (30) days prior to the start of the property's fiscal year, the budget on a NHHFA budget form, will be sent to NHHFA for NHHFA review.
16. **Records and Reports:** In addition to any other requirements, specified in the Management Plan or other provisions of the AGREEMENT, the AGENT will have the following responsibilities with respect to records and reports.
- a) The AGENT will establish and maintain a comprehensive system of records, books and accounts in a manner conforming to the directives of NHHFA and otherwise satisfactory to the OWNER. All records, books and accounts will be subject to the examination at reasonable hours by an authorized representative of the OWNER or NHHFA.
 - b) With respect to each fiscal year ending during the term of this AGREEMENT, the AGENT will cause an annual financial report to be prepared by a Certified Public Accountant or other person acceptable to the OWNER or NHHFA, based upon the preparer's examination of the books and records of the OWNER and the AGENT. The report will be prepared in accordance with the directives of NHHFA, will be certified by the preparer and AGENT, and will be submitted to the OWNER within sixty (60) days after the end of the fiscal year, for the OWNER'S further certification and submission to NHHFA. Compensation for the preparer's services will be paid out of the Project Operations Account as an expense of the PROJECT.
 - c) The AGENT will prepare quarterly (if applicable), as required in the Regulatory Agreement, reports comparing actual and budgeted figures for receipts and disbursements, and will submit each such report to the OWNER and NHHFA within thirty (30) days after the end of the quarter covered.
 - d) The AGENT will furnish such information (including operating occupancy reports) as may be requested by the OWNER or NHHFA from time to time with respect to the financial, physical, or operational condition of the PROJECT. If a management firm utilizes a central office accounting system and/or computer system, subject to the OWNER'S approval, a portion of these costs may be charged to the Project Operations Account as an operating expense. The costs, however, should equate to no more than the actual costs of having a bookkeeper present on-site. If a management

firm has an in- house computer operation, the costs chargeable to the project may not exceed the costs incurred if an on-line service company were utilized.

- e) Monthly, the AGENT will furnish the OWNER with an itemized list of all delinquent rental accounts.
- f) The AGENT will prepare, during the PROJECT'S initial twelve (12) months of occupancy, a monthly report showing the total actual figures for receipts and disbursements (Monthly Operating Summary), and will submit each such report to the OWNER and NHHFA within fifteen (15) days after the end of each month covered. Such reports shall include the gross potential rental income and month end balance of the accounts receivable and accounts payable account.

If, after the PROJECT reaches sustaining occupancy (95%), and the rental collections fall below operating expenses for a sustained period of sixty (60) days, the AGENT will immediately send written notification of the same to NHHFA.

- g) The said books, records and accounts shall be kept at the principal office of the AGENT. The OWNER and its duly authorized representatives shall have the right to examine and make copies of the same at all reasonable times.
- h) Except as otherwise provided in this AGREEMENT, all management overhead expenses will be borne by the AGENT out of his/her own funds and will not be treated as PROJECT expenses.

- 17. **Fidelity Bond:** The AGENT will furnish, at its own expense, a fidelity bond in the principal sum of \$ _____, which is at least equal to the gross potential income for two (2) months and is conditioned to protect the OWNER and NHHFA against misapplication of PROJECT funds by the AGENT and its employees. The other terms and conditions of the bond, and the surety thereon, will be subject to the approval of the OWNER.
- 18. **Bids, Discounts, Rebates, etc.:** The AGENT will obtain contracts, materials, supplies, utilities and services on the most advantageous terms of the PROJECT, and is authorized to solicit bids, either formal or informal, for those items which can be obtained from more than one source. The AGENT will secure and credit to the OWNER all discounts, rebates, or commissions obtainable with respect to purchases, service contracts and all of the transactions on the OWNER'S behalf.
- 19. **Social Service Program:** The AGENT will be responsible to the OWNER for coordinating, scheduling, and supervising the social services program described in the Management Plan (if applicable).
- 20. **Tenant-Management Relations:** The AGENT will encourage and assist residents of the PROJECT in forming and maintaining representative organizations to promote their common interests, and will maintain good-faith communication with such organizations to the end that problems affecting the PROJECT and its residents may be avoided or solved on the basis of mutual self-interest. The extent of such services by the AGENT shall be mutually determined by the OWNER and the AGENT.
- 21. **Insurance:** The OWNER will inform the AGENT of insurance to be carried with respect to the PROJECT and its operations, and the AGENT will cause such insurance to be place and kept in effect at all times. The AGENT will forward all bills for premiums to NHHFA to be paid out of the PROJECT'S Insurance Escrow Account and treated as an expense of the PROJECT. All insurance will be placed with such companies, on such conditions, in such amounts, and with such beneficial interests appearing thereon as shall be acceptable to the OWNER and the NHHFA, and shall be otherwise in conformity

with the mortgage; provided that the same will include public liability coverage, with the AGENT designated as one of the insured, in amounts acceptable to the AGENT as well as the OWNER and NHHFA. The AGENT will investigate and furnish the OWNER with full reports of all accidents, claims and potential claims for damage relating to the PROJECT, and will cooperate with the OWNER'S insurers in connection therewith.

22. **Compliance with Governmental Orders:** The AGENT will take such action as may be necessary to comply promptly with any and all governmental orders or of the requirements affecting the PROJECT, whether imposed by the Federal, State, County or Municipal authority, subject however, to the limitation stated in Subsection 12 (f) above with respect to repairs. Nevertheless, the AGENT shall take no such action so long as the OWNER is contesting or has affirmed its intention to contest any such order or requirement. The AGENT will notify the OWNER in writing of all notices of such orders or other requirements, within seventy-two (72) hours of the time of their receipt.
23. **Non-Discrimination:** In the performance of its obligations under this AGREEMENT, the AGENT will comply with the provisions of any Federal, State, or local law prohibiting discrimination in housing on the grounds of race, color, religion, national origin, sex, age, disability, sexual orientation, marital status, familial status, or gender identity, including Title VI of the Civil Rights Act of 1964 (Public Law 88-352.78 Stat. 241), all requirements imposed by or pursuant to the Regulations of the Secretary (24 CFR, Subtitle a, Part 1) issued pursuant to the Title; regulations issued pursuant to Executive Order 11063, and Title VIII of the Civil Rights Act of 1968, Fair Housing Amendments Act and 504 of the Rehabilitation Act of 1973. In addition, the AGENT shall comply with all state and local laws prohibiting discrimination in housing. Failure or refusal to comply with any such provisions shall be considered a breach of this AGREEMENT and proper basis for NHHFA to take any corrective action it may deem necessary including, but not limited to, the refusal to consent to future contracts of any kind with which the AGENT or its shareholders, trustees or beneficiaries are identified.
24. **Agent's Compensation:** The AGENT will be compensated for its services under this AGREEMENT by monthly fees, to be paid out of the Project Operations Account and treated as PROJECT expenses. Such fees will be payable on the _____ day of each month. Each such monthly fee will be an amount equal to _____% of the rental collections or \$ _____ per unit per month. Rental collections include income from sources other than rent, with the exception of restricted interest income, collected during the month.
25. **Term of Agreement:** This AGREEMENT shall be in effect for a period of _____ year(s), beginning on the _____ day of _____, 20 _____, subject however to the following conditions:
 - a) This AGREEMENT shall not be binding until endorsed by NHHFA.
 - b) This AGREEMENT may be terminated by either Principal Party as of the end of any calendar month; provided that at least thirty (30) days advance written notice thereof is given to the Consenting Party.
 - c) In the event that a petition in bankruptcy is filed by or against either of the Principal Parties, or in the event that either makes the assignment for the benefit of creditors or takes advantage of an insolvency act, the other party may terminate this AGREEMENT without notice to the other, provided that prompt notice of such termination is given to the Consenting Party.
 - d) It is expressly understood and agreed by and between the Principal Parties that NHHFA shall have

the right to terminate this AGREEMENT at the end of any calendar month, or thirty (30) days advance written notice to each of the Principal Parties, except that in the event of default by the OWNER, NHHFA may terminate this AGREEMENT immediately upon the issuance of a notice of cancellation to each of the Principal Parties. It is further understood and agreed by the Principal Parties that NHHFA shall not be liable for any losses or other damages incurred by the Principal Parties as a result of any action taken pursuant to this paragraph.

- e) Upon termination of this AGREEMENT for any reason, the AGENT shall:
 - 1. Remit to the OWNER, within five (5) working days after such termination, all monies, in the Project Operations Account and Security Deposit Account;
 - 2. Deliver to the OWNER all unpaid bills, outstanding leases, contracts, and other documents pertaining to the PROJECT;
 - 3. Notify each tenant to make rent payments to the OWNER or the OWNER'S designee;
and
 - 4. Submit to the OWNER any financial statements required by NHHFA. After the parties have accounted to each other with respect to all matters outstanding as of the date of termination, the OWNER shall furnish the AGENT with security, in form and principal amount reasonably satisfactory to the AGENT, against any obligations or liabilities which the AGENT may have incurred on behalf of the OWNER hereunder.

- f) This AGREEMENT shall automatically renew from year to year if no action is taken by the OWNER or the AGENT.

26. Interpretative Provisions:

- a) At all times, this AGREEMENT will be subject and subordinate to all rights of the NHHFA and will inure to the benefit of and constitute a binding obligation upon the Principal Parties and their respective successors and assignees. To the extent that this AGREEMENT confers rights upon NHHFA, it will be deemed to inure to its benefit, but without liability to NHHFA, in the same manner and with the same effect as though NHHFA were a primary party to the AGREEMENT.

- b) The AGREEMENT constitutes the entire agreement between the OWNER and the AGENT with respect to the management and operation of the PROJECT, and no change will be valid, unless made by supplemental written agreement, executed and approved by NHHFA as well as the Principal Parties.

- c) This AGREEMENT has been executed in several counterparts, each of which shall constitute a complete original AGREEMENT, which may be introduced in evidence or used for any other purpose without production of any of the other counterparts.

- 27. **Indemnification:** The OWNER agrees to indemnify and hold harmless the AGENT in any situation arising out of or from this AGREEMENT, where the AGENT has notified the OWNER, by certified mail, return receipt requested, of any event, occurrence or happening which places the OWNER or AGENT in non-compliance with any local, State or Federal notice, where the OWNER instructs the AGENT not to take any action.

IN WITNESS WHEREOF, the Principal Parties (by their duly authorized officers) have executed this AGREEMENT on the date first above written.

OWNER SIGNATURE _____

OWNER NAME _____

TITLE _____

AGENT SIGNATURE _____

AGENT NAME _____

TITLE _____

The New Hampshire Housing Finance Authority hereby consents to the foregoing Management Agreement, dated _____

by _____ and

between _____.

New Hampshire Housing Finance Authority

By _____

Title Director, Asset Management

Date _____

EXHIBIT "B"

- A) The following employees, whose salaries and fringe benefits shall be charged as an expense of the PROJECT, will be hired, or are currently employed by the MANAGEMENT AGENT for the management of the PROJECT:

Title	Projected Annual Salary	% Charged to Project

- B) The following is a description of the duties of the above-named personnel:

- C) Include a copy of the Fidelity Bond.