

# EXHIBIT A-2 – PROJECT OWNER'S/MANAGEMENT AGENT'S CERTIFICATION

## MHDC Multifamily Housing Projects Identity of Interest or Independent Management Agents

Property Name: \_\_\_\_\_ MHDC Property Number: \_\_\_\_\_

City, , State: \_\_\_\_\_ County: \_\_\_\_\_ Date: \_\_\_\_\_

ACTING ON BEHALF OF \_\_\_\_\_, (PROJECT OWNER) AND \_\_\_\_\_, (MANAGING AGENT), WE MAKE THE FOLLOWING CERTIFICATIONS AND AGREEMENTS TO THE MISSOURI HOUSING DEVELOPMENT COMMISSION (MHDC) REGARDING MANAGEMENT OF THE ABOVE PROJECT:

1. Upon receiving MHDC approval, execute a Management Agreement for the project. The Agreement will provide that the Agent will manage the project for the term and fee described below. Changes in the fee will be implemented only in accordance with MHDC's requirements.
  - (a) Term of Agreement: This Agreement shall be in effect for a period of \_\_\_\_\_ years beginning on \_\_\_\_\_ and ending on \_\_\_\_\_, and is thereafter automatically renewable, under the same terms and conditions for successive one-year terms.
  - (b) Fees:
    - (1) \$ \_\_\_\_\_ per unit (during initial lease up only)
    - (2) \$ \_\_\_\_\_ per occupied unit
    - (3) \_\_\_\_\_ % of collected rental income  
(Collected rental income is described in MHDC Handbook 2004-1)
2. Disburse management fees from project income only after:
  - (a) We have submitted this Certification to MHDC; and
  - (b) MHDC has approved the Agent to manage this project; and
  - (c) MHDC has approved the management fee.
3. No fees may be earned or paid after MHDC has terminated the Management Agreement.
4. In the event MHDC notifies me of an excessive management fee, I will within 30 days of MHDC's notice either:
  - (a) Reduce the compensation to an amount MHDC determines to be reasonable and;
  - (b) Refund to the project all excessive fees collected, or
  - (c) Appeal MHDC's decision and abide by the results of the appeal process, making any required reductions and refunds within 30 days after the date of the MHDC decision letter on the appeal. (Appeal procedures are described in MHDC Handbook 2004-1)
5. Perform all duties in accordance with MHDC Handbooks, notices, or other policy directives.
6. Comply with the project's Regulatory Agreement, Mortgage and Mortgage Note, and any Modification Agreement.
7. Refrain from purchasing goods or services from entities that have identify-of-interest with us unless the costs are as low as or lower than arms-length, open-market purchases.
8. Ensure that all expenses of the project are reasonable and necessary.
9. Exert reasonable effort to maximize project income and to take advantage of discounts, rebates and similar money-saving techniques.
10. Obtain contracts, materials, supplies and services, including the preparation of the annual audit, on terms most advantageous to the project.
11. Credit the project with all discounts, rebates or commissions (including any sales or property tax relief granted by the State or local government) received.
12. Obtain the necessary verbal or written cost estimates and documents the reasons for accepting other than the lowest bid.
13. Maintain copies of such documentation and make such documentation available for inspection during normal business hours.
14. Ensure that the types of insurance policies described below are in force and will be maintained at all times. Fidelity bonds and hazard insurance policies will name MHDC as an additional payee in the event of loss.
  - (a) Fidelity bond or employee dishonesty coverage for all principals of the Agent and all persons who participate directly or indirectly in the management and maintenance of the project and its assets, accounts and records. Coverage will be at least equal to the project's gross potential income for two (2) months or \$50,000, whichever is greater.
  - (b) Hazard and general liability insurance coverage in an amount required by the MHDC.

15. Furnish a timely response to MHDC's management review reports, physical inspection reports and written inquiries regarding the project's annual financial statements or monthly accounting reports.

16. Establish and maintain the project's accounts, books and records in accordance with:
  - (1) MHDC's administrative requirements
  - (2) Generally accepted accounting principles; and
  - (3) In a condition that will facilitate an audit.
17. Consider all records related to the operation of the project, regardless of where they are housed, to be considered the property of the project.
18. Allow MHDC and its representatives to inspect:
  - (a) any records which relate to the project's purchase of goods or services,
  - (b) the records of the Owner and the Agent, and
  - (c) the records of companies having an identity-of-interest with the owner and the agent.
  - (d) any and all other project records.
19. Include the following clause in any contract entered into with an identity-of-interest individual or business for the provision of goods or services to the project: "Upon request of MHDC, Owner or Agent, (insert name of contractor or supplier or note attached exhibit) will make available to MHDC, at a reasonable time and place, its records and records of identity-of-interest companies which relate to goods and services charged to the project. Records and information will be sufficient to permit MHDC to determine the services performed the location at which the services were performed, the time consumed in providing the services, the charges made for materials, and the per-unit and total charges levied for said services". The Owner agrees to request such records and make them available for MHDC's review.
20. Ensure that any Management Agreement does not contain the type of "hold harmless" clause prohibited by MHDC.
21. Include the following provisions in the Management Agreement and to be bound by them:
  - (a) MHDC has the right to terminate the Management Agreement for failure to comply with the provisions of this Certification, or other good cause, thirty (30) days after MHDC has mailed the Owner a written notice of its desire to terminate the Management Agreement.
  - (e) If the Management Agreement is terminated, the Agent will give to the Owner all of the project's cash, trust accounts investments and records within thirty (30) days of the date the Management Agreement is terminated.
22. Submit a new Management Certification to MHDC before taking any of the following actions:
  - (a) Authorizing the agent to collect a fee different from the fees approved by MHDC for the project.
  - (b) Changing the expiration date of the Management Agreement.
  - (c) Renewing the Management Agreement.
  - (d) Permitting a new Agent to operate the project.
  - (e) Permitting a new Agent to collect a fee.
  - (f) Undertaking self-management of the project.
23. Comply with all Federal, State and local laws prohibiting discrimination against any persons on grounds of race, color, creed, familial status, handicap, sex or national origin, including Title VI of the civil Rights Act of 1964, Fair Housing Act, Executive Order 11063 and all regulations implementing those laws.
24. Give families with children equal consideration for admission, when the head of household or spouse is otherwise eligible
25. Give handicapped person's priority for units that were built and equipped specifically for the handicapped.
26. (If the project receives any form of direct Federal financial assistance) Comply with Section 3 of the Housing and Urban Development Act of 1968 and its implementing regulations, and comply with the provisions of Section 504 of the Rehabilitation Act of 1973, as amended, the Age Discrimination Act of 1975 and all regulations and administrative instructions implementing these laws.
27. Furnish MHDC any reports and information required to monitor the project's compliance with the Owner's fair housing and affirmative marketing requirements.
28. Not discriminate against any employee, applicant for employment or contractor because of race, color, handicap, religion, sex or national origin.
29. Provide minorities, women and socially and economically disadvantaged firms equal opportunity to participate in the project's procurement and contracting activities.
30. Read and understand MHDC's definition of "identity-of-interest" (IOI) and recognize that the statement(s) and information entered below is true:
  - (a) No identity-of-interest exists among the Owner, the Agent and any individuals or companies that regularly do business with the project unless such identity-of-interest has been disclosed to MHDC.
  - (b) Only individuals and companies listed on the attached (if applicable) have an identity-of-interest with the Agent.
  - (c) Only the individuals and companies listed on the attached (if applicable) have an identity-of-interest with the Owner.
31. The Management Entity Profile, dated \_\_\_\_\_, is accurate and current as of the date of this Certification.
32. Submit an updated profile whenever there is a significant change in the organization or operations of the Management Entity.

33. The items checked below are attached:

- New Management Entity Profile
- Updated Management Entity Profile
- IOI list (Agent)
- IOI list (Owner)
- Training Certificates

Warnings:

MHDC may seek civil money penalties to be paid by the mortgagor through personal funds for:

- (1) Violations of an agreement with MHDC to use non project funds for certain specified purposes as a condition of receiving transfers of physical of assets, capital advance loans, and modification of mortgage terms or workout. The penalties could be as much as MHDC's loss at a foreclosure sale or sale after foreclosure.
- (2) Violations of specific conditions of the Regulatory Agreement.

**By Project Owner: Print Name, title,**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**By Management Agent: Name, title,**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**FOR MHDC USE ONLY**

DATE:

- Approved            /    /
- Denied                /    /
- Amended             /    /

Explain: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Authorized Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
Asset Management Director