



If your role is an Owner or Management Agent and you own and/or manage an **MHDC** Multifamily Housing property or an **LIHTC** Multifamily Housing property, you must complete this form.

Property Name:		MHDC Property Number:
City/State:	County:	Date:

I/WE, _____ (OWNER) AND (IF APPLICABLE) _____ (MANAGEMENT COMPANY NAME) MAKE THE FOLLOWING CERTIFICATIONS AND AGREEMENTS TO THE MISSOURI HOUSING DEVELOPMENT COMMISSION (MHDC) **REGARDING MANAGEMENT OF THE ABOVE NAMED PROPERTY:**

1. Upon receiving MHDC approval, execute a Management Agreement for the property. The Agreement will provide that the Agent will manage the property 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 is in effect beginning on the date that pre-leasing activities begin and is automatically renewable each year as long as there has been no change in the designated ownership and/or management entity.

(b) Fees: Management companies are allowed to collect a maximum management fee as indicated on MHDC's website www.mhdc.com. Annual management fee increases will be automatic according to the published HUD OCAF percentage for Missouri, and the management fee for the following year will be published by MHDC during the fourth quarter of the current year.

Management Fee increases will be calculated as follows – FY 2020 Fee x 2020 Missouri OCAF % equals FY 2021 Fee. The annual increase will be rounded up. The previously allowed percentage of collected revenue method has been discontinued. Properties that previously used percentage of collected revenue have had their percentage converted to dollar/unit based on HUD's published management fee calculation worksheet (HUD form 9839-A or 9839-B) and their converted management fee will be grandfathered in if their fee after conversion exceeded \$40.

No additional increase will be allowed for grandfathered properties until the maximum MHDC management fee exceeds the grandfathered fee. Owners and Management companies will always have the ability to negotiate a lower amount. Overpayments will be tested for during the AFS review process. This policy does not apply to properties whose management certification must be approved by HUD.

2. Disburse management fees from property income only after:

- (a) I/We have submitted this Certification to MHDC; and
- (b) MHDC has approved the Agent to manage this property; 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/us of an excessive management fee, I/we 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 property 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 the MHDC Handbook).

5. I/We shall perform all duties in accordance with MHDC Handbooks, notices, or other policy directives.
6. I/We shall comply with the property's Land Use Restriction Agreement (LURA), Mortgage and Mortgage Note, and any Modification Agreement.
7. I/We shall read and understand MHDC's definition of "identify-of-interest" ("IOI") and recognize that the statement and information entered below is true:
 - (a) Only individuals and companies listed on the attached (if applicable) have an IOI with the Owner or Management Agent.
8. I/We shall refrain from purchasing goods or services from entities that have identify-of-interest with either the Property Owner or Management Agent unless 1) the costs are as low as or lower than arms-length, open-market purchases, and 2) the identity-of-interest among the Owner or Management Agent and any individuals or companies that regularly do business with the property has been disclosed to MHDC.
9. I/We shall 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 property: "Upon request of MHDC, Owner or Agent, _____ (*insert name of contractor or supplier*), will make available to MHDC, at a reasonable time and place, its records of identity-of-interest companies which relate to goods and services charged to the property. 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. **If using IOI contractors, a surcharge to the property is not permissible.**
10. We shall ensure that all expenses of the property are reasonable and necessary.
11. I/We shall exert reasonable effort to maximize property income and take advantage of discounts, rebates and similar money-saving techniques.
12. I/We shall obtain contracts, materials, supplies and services, including the preparation of the annual audit, on terms most advantageous to this property.
13. I/We shall credit the property with all discounts, rebates, or commissions (including any sales or property tax relief granted by the state or local government) received.
14. I/We shall obtain the necessary verbal or written cost estimates and document the reasons for accepting other than the lowest bid.
15. I/We shall maintain copies of such documentation and make such documentation available for inspection during normal business hours.
16. I/We will 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 for properties with MHDC loans 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 property and its assets, accounts, and records. Coverage will be at least equal to the property'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.
17. For LIHTC-only properties, or properties without MHDC loans, I/We agree that insurance funds from loss claims against the property must be used toward property-related expenses unless the facilities are damaged beyond repair.
18. I/We shall furnish a timely response to MHDC's management review reports, physical inspection reports and written inquiries regarding the property's annual financial statements or monthly accounting reports.
19. I/We shall establish and maintain the property's accounts, books and records in accordance with
 - (a) MHDC's administrative requirements and applicable program requirements.
 - (b) Generally accepted accounting principles; and
 - (c) In a condition that will facilitate an audit.

20. I/We shall consider all records related to the operation of the property, regardless of where they are housed, to be the possession of the property.
21. I/We shall allow MHDC and its representatives to inspect:
 - (a) any records which relate to the property's purchase of goods or services,
 - (b) the records of the Property Owner and the Management Agent, and
 - (c) the records of companies having an identity-of-interest with the owner and the agent.
 - (d) any and all other property records.
22. I/We shall ensure that any resident lease does not contain the type of "hold harmless" clause prohibited by MHDC.
23. I/We agree that MHDC may, in MHDC's sole discretion, and based on any non-compliance with the provisions of this certification cause, or for no cause whatsoever, require the managing agent of the property to be removed from management. Any such demand shall be a signed written notice to the Owner from MHDC. Upon any such removal, the Property Owner agrees to propose a replacement management agent within 30 days of the notice to terminate. MHDC is hereby granted an exclusive right to consent to any replacement management agent. If there is a conflict between the Management Agreement and the terms of this certification the terms of this certification shall prevail. If the Management Agreement is terminated, the Agent will give to the Owner all of the Property's cash, trust accounts investments and Property records within thirty (30) days of the date the Management Agreement is terminated. Default under the provisions of the document may result in MHDC issuing notice of non-compliance to the appropriate governing authority.
24. I/We shall submit a new Management Certification to MHDC before taking any of the following actions:
 - (a) Entering into a new Management Agreement.
 - (b) Permitting a new Management Agent to operate the property.
 - (c) Permitting a new Management Agent to collect a fee.
 - (d) Undertaking self-management of the property.
25. I/We shall 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.
26. I/We shall give families with children equal consideration for admission when the head of household or spouse is otherwise eligible.
27. I/We shall give disabled persons priority for units that were built and equipped specifically for the disabled.
28. If applicable, because this Property receives/d any form of direct Federal financial assistance, I/we shall 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.
29. I/We shall furnish MHDC any reports and information required to monitor the Property's compliance with the Property Owner's fair housing and affirmative marketing requirements.
30. I/We shall not discriminate against any employee, applicant for employment or contractor because of race, color, disability, religion, sex or national origin.
31. I/We shall provide minorities, women and socially and economically disadvantaged firms equal opportunity to participate in the Property's procurement and contracting activities.
32. I/We shall notify MHDC whenever there is a significant change in the organization, or operations of the Owner, or Management Agent, and follow the Transfer of Physical Assets (TPA) policy if applicable.
33. The items checked below are attached:
 - IOI list (Management Agent)
 - IOI list (Owner)
 - Training Certificates

34. I/We shall comply with all applicable Missouri laws.

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 property 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 Land Use Restriction Agreement.

Electronic Submission Agreement and Disclosure: Once signed, a scanned version of this document may be submitted electronically to MHDC via email. **If submitting the document as part of a Transfer of Physical Assets (TPA), please include with your TPA package. If document is NOT part of a TPA, please submit in AMRS.** If submitted as such, the undersigned agrees that the signature thereon is to be treated as an original signature; and the document (in the form of a photocopy, PDF, or other electronic form) is to be treated as an original document with the same legal effect and enforceability as the original signed document. Regardless, MHDC in its sole and absolute discretion reserves the right to request an original signed hard copy of the document as it deems necessary. The undersigned is responsible for retaining the original signed hard copy in his/her files.

By Property Owner:		By Management Agent	
Print Name		Print Name	
Title		Title	
Signature	Date	Signature	Date

STATE OF MISSOURI _____)
 _____) ss.
 County of _____) (SEAL)
 The foregoing instrument was acknowledged before me this _____ day of _____, 20____
 by _____
 My commission expires _____
 Notary Public Signature _____

DATE:
 Approved / /
 Denied / /
 Amended / / Explanation: _____

Authorized Signature: _____ Date: _____
 Asset Management Director

If you or someone you know served in the U.S. Armed Forces, we encourage you to visit <http://veteranbenefits.mo.gov> or call (573) 751-3779 to learn about available resources.