

MARYLAND DEPARTMENT OF
HOUSING & COMMUNITY DEVELOPMENT

Project Name: _____

Project No. _____

MANAGEMENT AGREEMENT

THIS AGREEMENT is made this ____ day of _____, _____, between
_____ (hereinafter referred to as the "Owner") and
_____ (hereinafter referred to as the "Agent").

WITNESSETH:

In consideration of the terms, conditions and covenants hereinafter set forth, the Owner and Agent mutually agree as follows:

Section 1. Definitions.

As used in this Agreement:

1.1 "DHCD" shall mean the Department of Housing and Community Development as established under the provisions of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, and all regulations promulgated thereunder (collectively, the "Act") and the Community Development Administration, a unit of the Division of Development Finance of DHCD.

1.2 "Lease" shall mean the form of agreement between the Owner and a Resident under the terms of which said Resident is entitled to enjoy possession of a dwelling unit.

1.3 "Loan" shall mean the Loan from DHCD to the Owner for the acquisition, construction and/or rehabilitation of the Project.

1.4 "Loan Documents" shall mean the Note, Deed of Trust, Security Agreement and Assignment of Rents, Regulatory Agreement, Building Loan Agreement and any and all other documents executed in connection with the Loan.

1.5 "Non-Housing Income" shall mean all amounts actually collected by the Agent, other than Rent, including (i) vending and laundry income, and (ii) income received from rental of parking spaces, garage spaces and commercial space.

1.6 "Project" shall mean the real property and the improvements, buildings, appurtenances and equipment thereon, of the Owner known as _____ located in the [City of _____],[County of _____], State of Maryland, and consisting of _____ dwelling units, _____ garage spaces to be rented and _____ commercial or other non-dwelling spaces.

1.7 “Rent” shall mean the monthly amount which a Resident is obligated to pay the Owner pursuant to the terms of a Lease, other than Non-Housing Income.

1.8 “Resident” shall mean any person occupying a dwelling unit in the Project pursuant to a Lease.

Section 2. Appointment of Agent.

The Owner hereby appoints the Agent, and the Agent hereby accepts appointment, on the terms and conditions hereinafter provided, as exclusive management agent of the Project.

Section 3. Regulation by DHCD.

The Agent fully understands that the Owner is receiving a loan from DHCD and is required to comply with the Act and with all rules and regulations of DHCD. The Agent further fully understands that the operation of the Project is subject to a Regulatory Agreement (the “Regulatory Agreement”) between the Owner and DHCD [and that approximately ____% of the dwelling units in the Project will receive the benefit of subsidy payments pursuant to the attached agreement between the Owner and DHCD.] In the performance of its duties hereunder, the Agent agrees to comply with the provisions of the Act, the policies, procedures, rules and regulations of DHCD, the Loan Documents, and the subsidy payment agreement, if any, all as amended from time to time, and receipt of which is hereby acknowledged by the Agent.

Section 4. Confer with Owner and DHCD.

The Agent agrees to keep itself informed on the policies of DHCD and, notwithstanding the authority given to the Agent in this Agreement, to confer fully and freely with the Owner, the Marketing Agent as described in Section 7.20 hereof, and DHCD in the performance of its duties hereunder.

Section 5. Meetings with Owner and Marketing Agent.

The Agent agrees to cause an officer of the Agent to attend meetings with the Owner and Marketing Agent at any time or times requested by the Owner, Marketing Agent or DHCD.

Section 6. Management Personnel.

6.1 On the basis of wage rates previously approved by the Owner and DHCD, the Agent shall hire, pay, supervise and discharge all managerial and non-managerial personnel as follows:

No.	Position Title	Annual	Annual Cost Payroll	Total of Payroll

6.2 Such personnel shall in every instance be in the employment of the Agent. Compensation for the services of such employees (as evidenced by certified payrolls) shall be considered an operating expense of the Project. ____ rent-free, ____ bedroom apartment(s) shall be provided for the personnel. The Agent shall hire in its own name, and have physically present at the Project, all managerial and non-managerial personnel necessary for the full and efficient performance of its duties under this Agreement, including the physical presence of responsible personnel at such times as may reasonably be requested by the Owner. In any event, no less than ____ (____) responsible managerial person(s) of the Agent shall be physically present at the Project not less than ____ hours per day, ____ days per week.

Section 7. Services of the Agent.

7.1 Review of Architectural Plans and Specifications.

The Agent shall advise the Owner with respect to design and construction of the Project throughout the planning and design period and at each stage of design (schematic, preliminary, and final working drawings and specifications) and shall recommend such changes as deemed necessary based upon the experience of the Agent, particularly with regard to items which may reduce operating expenses and create a more maintenance-free Project.

7.2 Services Prior to Construction.

Prior to the initial closing and the initiation of construction/rehabilitation of the Project, the Agent shall (i) furnish to the Owner and to DHCD, in a format acceptable to DHCD, detailed estimates and supporting material regarding maintenance and operating expenses for the Project; (ii) review the Pre-Commitment Marketing Plan prepared by the Marketing Agent and, (iii) prepare a Management Plan for the Project, if requested by the Owner and DHCD, which Management Plan shall be subject to the review and approval of the Owner and DHCD.

7.3 Services During Construction.

Prior to completion of construction/rehabilitation and prior to occupancy of the Project, the Agent shall (i) furnish to the Owner and DHCD in a format acceptable to DHCD, and no later than 60 days prior to occupancy of the Project, revised estimates of maintenance and operating expenses accompanied by documentation in the form of bids, contracts or comparables for any and all items so requested by DHCD; (ii) establish and maintain a close working relationship with the Marketing Agent; (iii) review the Pre-occupancy Marketing Plan as prepared by the Marketing Agent; (iv) retain such management and maintenance personnel as necessary for the Project no later than 60 days prior to occupancy; (v) provide training opportunities for on-site management and maintenance personnel, including attendance at conferences and seminars on housing management; (vi) establish Rules and Regulations for Project; (vii) establish a book-keeping and accounting system in accordance with DHCD requirements; (viii) provide for insurance coverage in accordance with DHCD requirements, as provided in Section 7.9 hereof; (ix) secure all necessary equipment and supplies; (x) participate in pre-occupancy conferences and training sessions as required by DHCD; and (xi) provide an accounting for all expenses to be paid from interim income in accordance with DHCD standards and requirements for cost certification.

7.4 Structure and Warranties.

The Agent shall obtain from the Owner a complete set of plans and specifications as approved by DHCD 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 shall thoroughly familiarize itself with the character, location, construction, layout, plan, and operation of the Project and especially of the electrical, heating, plumbing, air conditioning, and ventilating systems, and all other mechanical equipment.

7.5 Inspection of Project.

The Agent shall participate in the final inspection(s) to certify the readiness of the units for occupancy and shall (i) inform the Owner and DHCD of all defects in material and workmanship discovered within the construction warranty period; (ii) monitor the action taken by the Contractor to correct the defects and (iii) participate in formal inspection held for the purpose of identifying construction defects.

7.6 Inspection Prior to Occupancy.

Prior to occupancy of any unit by a Resident, the Agent and the Resident shall inspect the unit, and both shall certify that they have inspected the unit and have determined it to be decent, safe, and sanitary in accordance with the criteria provided in the prescribed forms. Copies of these reports shall be kept by the Owner or Agent for at least three years.

7.7 Maintenance and Repairs.

The Agent shall cause the buildings, appurtenances, equipment and grounds of the Project to be maintained and repaired at all times according to standards acceptable to the Owner and DHCD.

7.8 Preventive Maintenance.

The Agent shall develop a preventive maintenance schedule including, but not limited to, periodic inspections of the units; residency commencement and termination check lists; inventory control, common area maintenance; equipment maintenance; exterior maintenance on a seasonal basis; and painting, decorating, and replacement time-tables as necessary.

7.9 Property Insurance.

a. The Agent shall obtain recommendations for, and cause to be placed in force, all forms of insurance needed to adequately protect the Owner, DHCD and the Project (or as required by law), including, where appropriate, public liability insurance, boiler insurance, flood insurance, fire and extended coverage insurance and burglary and theft insurance. All of the various types of insurance coverage required for the benefit of the Owner, DHCD and the Project shall be placed with such companies, in such amounts, and with such beneficial interest appearing therein as shall be acceptable to the Owner and DHCD. The Agent certifies that the types of insurance policies checked below are in force and will be maintained to the best of its ability at all times. Fidelity bonds, hazard insurance and flood insurance policies will name DHCD as an additional loss payee.

(i) _____ Fidelity bond or employee dishonesty coverage for (1) all principals of the Agent and (2) 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 months.

(ii) _____ Hazard insurance coverage in an amount required by the Project's mortgage(s).

(iii) _____ Flood insurance coverage in an amount required by the Project's mortgage(s).

(iv) _____ Public liability coverage with the Agent designated as one of the insured.

*Note: For any box not checked, attach an explanation as to why you cannot obtain that type of insurance. Such situations should be extremely rare.

b. The Agent shall promptly investigate and make a full written report to the Owner and DHCD as to all serious accidents or claims for damage relating to the ownership, operation, and maintenance of the Project, including any damage to or destruction of the Project, the estimated cost of repair, and shall cooperate and make any and all reports required by any insurance company in connection therewith.

7.10 Notice of Authority.

The Agent shall place in a conspicuous place on the premises a notice that the Agent is authorized to manage the premises and is authorized by the Owner to accept service of process and to receive and give receipt for notices and demands.

7.11 Service Requests of Residents.

The Agent shall maintain business-like relations with Residents whose service requests shall be received, considered, and recorded on a systematic written basis in order to show the action taken with respect to each. Complaints of a serious nature and all written complaints shall, after thorough investigation, be reported to the Owner and DHCD with appropriate recommendations.

7.12 Inspection of Unit.

As part of a continuing program to secure full performance by the Residents of all obligations and maintenance for which they are responsible, the Agent shall make an annual inspection of all dwelling units and report its findings in writing to the Owner and the DHCD.

7.13 Review of Operations.

The Agent shall permit DHCD to conduct on-site evaluations of the performance of any or all management services which the Agent has agreed to provide as stipulated in this Agreement, and the Management Plan, if required. An authorized representative of the Agent shall be available during on-site evaluations. The Agent shall correct any deficiencies noted in these evaluations within 30 days of receipt of the report from DHCD. In the event such correction cannot be made within 30 days, the Agent shall provide DHCD with a written plan for such correction, including a timetable of proposed actions.

7.14 Collections and Delinquencies.

The Agent shall collect and deposit in the account established pursuant to Section 9 hereof all rents and other charges due from Residents and all rents or other payments due the Owner from users or lessees of non-dwelling facilities in the Project. The Agent agrees, and the Owner hereby authorizes the Agent, to request, demand, collect, receive, and give receipts for any and all charges or rents which may at any time be or become payable to the Owner. Rents and other charges shall not be accepted in cash by the Agent. The Agent agrees to take such action, including legal action, with respect to delinquencies in payments due the Owner as the Owner or DHCD may from time to time authorize or request. The Agent shall furnish the Owner an itemized list of all Residents with delinquent accounts immediately following the fifteenth day of each month.

7.15 Payments and Expenses.

a. From the funds collected and deposited in the account established pursuant to Section 9 hereof, the Agent shall cause funds to be disbursed regularly and punctually in accordance with the provisions of the Loan Documents. If the Loan Documents are silent as to the disbursement of funds, then all funds shall be distributed in the following order and priority:

(i) reimbursements for payroll expenses for services of Agent's employees as provided in Section 6.1 above, and reimbursement for management related long-distance telephone calls, as provided in Section 9 below;

(ii) all of the real estate tax and insurance premium escrow payments required of the Owner, which payments shall be deemed to be part of the "operating expenses" of the Project as the same are defined in the Regulatory Agreement;

(iii) all remaining operating expenses of the Project (excluding the DHCD Loan principal and interest payments); including administrative, maintenance, and utility expenses set forth in the current DHCD approved operating budget;

(iv) the fees of the Project's Marketing Agent, as set forth in the Marketing Agreement between the Owner and the said Agent, and the fee of the Management Agent as provided in Section 11 below; and

(v) all amounts required to be deposited with DHCD or its designated depositor in the replacement reserve account or other reserves, if any, as set forth in the Regulatory Agreement;

(vi) all of the principal, interest and fees required to be paid to DHCD by the Loan Documents, and principal and interest payments to any other lenders under loans approved by DHCD;

b. The Agent agrees to:

(i) Assure that all Project expenses are reasonable in amount and necessary to the operation of the Project;

(ii) Exert reasonable effort to maximize Project income and to take advantage of discounts and credit the Project with all discounts, rebates or commissions (including any sales or property tax relief granted by the State or local government) received with respect to purchases, service contracts and other transactions made on behalf of the Project;

(iii) Obtain contracts, materials, supplies and services, including the preparation of the annual audit, on terms most advantageous to the Project and at costs not in excess of amounts ordinarily paid for such services rendered or supplies and materials furnished; and

(iv) Solicit verbal or written cost estimates as necessary to comply with the provisions of this paragraph and document the reasons for accepting other than the lowest bid. The Agent will maintain copies of such documentation and it will be available for inspection during normal business hours.

c. With the exception of payments provided for in subsection (a) of this paragraph, the Agent shall not make any disbursement in excess of \$_____ unless specifically authorized by the Owner and approved by DHCD, provided that emergency repairs, involving manifest danger to life and property, or immediately necessary services to the Project, may be made by the Agent without regard to the cost limitation imposed by this paragraph with the understanding that the Agent will, if at all possible, confer immediately with the Owner regarding every such expenditure, and will submit the request for the required DHCD approval promptly following the emergency. The Agent shall not incur liabilities of the Owner (direct or contingent) which, in the aggregate will exceed at any time \$_____, unless specifically authorized by the Owner and approved by DHCD. In addition, the Agent shall not incur liabilities of the Owner (direct or contingent) which require payment more than one year from the creation thereof, unless specifically authorized by the Owner and approved by DHCD.

7.16 Government Orders.

The Agent shall take such action as may be necessary to comply promptly with any and all orders or requirements affecting the Project placed thereon by any federal, state, county, or municipal authority having jurisdiction thereover. The Agent shall not take any action under this paragraph unless DHCD directs so long as the Owner is contesting or has affirmed its intention to contest any such order or requirement. The Agent shall promptly, and in no event later than 48 hours from the time of their receipt, notify the Owner and DHCD in writing of all such orders and notices of requirements.

7.17 Utility Service and Purchases.

Subject to the approval of the Owner and in accordance with the rules and regulations of DHCD, the Agent shall make contracts for garbage and trash removal, fuel oil, extermination, snow removal, elevator maintenance, and other necessary services. Further, the Agent shall place orders for such equipment, tools, appliances, materials, and supplies as are necessary to maintain and repair the Project properly. When taking bids or issuing purchase orders, the Agent shall act at all times in the best interest of the Owner and shall be under a duty to secure for and credit to the Owner any discounts, commissions or rebates as a result of such purchases.

7.18 Records and Reports.

a. The Agent shall establish and maintain a comprehensive system of records, books, and accounts in a manner satisfactory to the Owner and DHCD. All records, books, and accounts will be subject to examination at reasonable hours by an authorized representative of the Owner and DHCD.

b. With respect to each fiscal year ending during the term of this Agreement, the Agent shall have an annual financial report prepared by a Certified Public Accountant based upon the preparer's examination of the books and records of the Owner and Agent. The report shall be prepared in accordance with DHCD requirements, shall be certified by the preparer and the Agent, and shall 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 DHCD. Compensation for the preparer's services shall be considered an operating expense of the Project.

c. The Agent shall prepare Monthly Operating Reports which compare actual and budgeted income expenses for the month and the year-to-date. The Agent shall prepare a monthly Aged Schedule of Accounts Receivable and Accounts Payable. The Agent shall prepare a monthly Analysis of Security Deposits and Monthly Cash Reconciliation, and shall submit each statement to the Owner and DHCD within twenty (20) days after the end of the month covered.

d. The Agent shall furnish such information as may be reasonably requested by the Owner or DHCD from time to time with respect to the financial, physical, or operational condition of the Project.

e. By the fifteenth (15th) day of each month, the Agent shall furnish the Owner with an itemized list of all rent delinquencies as of the tenth (10th) day of the same month.

f. By the tenth (10th) day of each month, until the Project has reached ninety five (95%) percent occupancy, the Agent will furnish the Owner and DHCD with a Monthly Occupancy Report, in a format acceptable to DHCD.

g. The Agent shall prepare, execute, and file for the Owner all forms, reports, and returns required by law in connection with the employment of personnel, including unemployment insurance, workmen's compensation insurance, disability benefits, social security, and other similar insurance benefits or taxes now in effect or hereafter imposed.

7.19 Operating Budget.

At least 60 days before the beginning of each new fiscal year of the Owner, the Agent shall prepare and submit to the Owner and DHCD an Operating Budget, in such form as may be prescribed by DHCD, setting forth an itemized statement of the anticipated receipts and disbursements for the Project.

7.20 Assumption of Marketing Duties.

The Owner has entered into a Marketing Agreement with a Marketing Agent, a copy of which has been provided to the Agent. Upon expiration or termination of the Marketing Agreement, the Agent shall immediately assume responsibility for all functions and services of the Marketing Agent as set forth in the Marketing Agreement.

7.21 Compliance of Residents.

a. The Agent shall at all times during the term of this Agreement operate and maintain the Project according to the highest standards achievable. The Agent shall secure full compliance by the Residents with the terms and conditions of their respective Leases.

b. The Agent may lawfully terminate any tenancy when, in the Agent's judgment, sufficient cause occurs under the terms of the Resident's Lease and shall provide Owner with copies of all documentation regarding termination of any Resident's tenancy.

c. The Agent is authorized to consult with legal counsel designated by the Owner to bring actions for eviction and to execute notices to vacate and to commence appropriate judicial proceedings; provided, however, that the Agent shall follow such instructions as the Owner and DHCD have prescribed.

d. Subject to the Owner's approval, costs incurred in connection with such actions shall be considered as operating expenses.

7.22 Recertification of Income.

The Agent shall take such steps as are required by DHCD to recertify incomes of Residents occupying units constructed or otherwise assisted with the proceeds of the DHCD Loan.

Section 8. Other Acts.

Everything done by the Agent under the provisions of this Agreement shall be done as Agent of the Owner, and all obligations or expenses incurred thereafter shall be for the account of and on behalf of the Owner. Any payments to be made by the Agent hereunder shall be made out of such sums as are available in the operating receipts and expense account established pursuant to Section 9.1. The Agent shall not be obliged to make any advance to, or for the account of, the Owner or to pay any sum, except out of funds held or provided as aforesaid nor shall the Agent be obliged to incur any liability or obligation for the account of the Owner without assurance that the necessary funds for the discharge thereof will be provided.

Section 9. Bank Accounts.

9.1 Operating Receipts and Expense Account.

The Agent shall establish and maintain in a bank whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC) in accordance with the provisions of the Regulatory Agreement, a separate bank account as Agent of the Owner, for the deposit of monies from the Project, with authority to draw thereon for any payments to be made by the Agent to discharge any liability or obligations of the Owner incurred in accordance with this Agreement. The account shall be in the Owner's name and shall be designated of record "(Name of Project) Operating Receipts and Expense Account." The Agent shall also establish such other special bank accounts as may be required by DHCD or the Owner. Signatories entitled to make withdrawals from any and all of these accounts shall be persons covered by the bond to be posted pursuant to this Agreement.

9.2 Security Deposit Account.

The Agent shall collect, deposit and disburse Residents' security deposits in accordance with the terms of the respective Leases. Residents' security deposits shall be deposited by the Agent in an interest bearing account, separate from all other accounts and funds, with a bank or other financial institution whose deposits are insured by FDIC. The Agent shall be responsible for any loss incurred by the Project for its failure to comply with refunding of security deposits with accrued interest to residents as required by Maryland law. This account shall be titled in the Agent's name and shall be designated of record "(Name of Project) Security Deposit Account". The Agent shall cause the amount of the Security Deposit Account to equal or exceed at all times the aggregate of all outstanding obligations by the Owner with respect to security deposits.

Section 10. Office in Project.

The Owner shall furnish the Agent with suitable office space, office furniture and equipment, such as file cabinets, computers, typewriter, and adding machines) on the site of the Project and with electricity, water, heat, and janitorial service therein.

Section 11. Compensation of Agent.

(a) The sole compensation which the Agent shall be entitled to receive for all services performed under this Agreement shall be a fee computed and payable monthly in an amount equivalent to ____ percent (____) of gross tenant rent collections.

(b) All Project employee salaries, including resident manager and bookkeeping personnel are to be paid out of Project funds. All expenses contributable to operating the Project will be paid out of Project funds.

Section 12. Non-Discrimination.

12.1 In the performance of its obligations under this Agreement, the Agent will comply with the provisions of federal law prohibiting discrimination in housing on the basis of race, color, religion, national origin, sex, marital status, sexual orientation, physical or mental disability, or age, except with regard to age as permitted under the federal Housing for Older Persons Act, as amended from time to time, or other similar federal laws. The Agent shall also comply with all applicable provisions of federal, State and local laws and DHCD policies regarding discrimination, equal opportunity in employment, housing and credit practices, and drug and alcohol free workplaces, including Title VI and Title VII of the Civil Rights Act of 1964, as amended; Title VIII of the Civil Rights Act of 1968, as amended; the Fair Housing Act Amendments of 1988, as amended; Title 20 of the State Government Article of the Annotated Code of Maryland, as amended; State of Maryland Executive Order 01.01.1989.18 relating to drug and alcohol free workplaces; and the Americans with Disabilities Act of 1990, as amended. This Agreement may be terminated or suspended, in whole or in part, by the Owner or DHCD upon the basis of a finding that the Agent has not complied with non-discrimination provisions.

12.2 If applicable, the Agent shall comply with the DHCD-approved “Affirmative Fair Housing Marketing Plan” for the Project, or such other Project marketing plan that has been approved by DHCD, and shall utilize such measures as may be required by the Owner or DHCD to encourage affirmatively the occupancy of residential units by members of minority groups.

Section 13. Fidelity Bond.

The Agent shall furnish, at its own expense, a fidelity bond to protect the Owner and DHCD against misapplication of funds of the Project by the Agent and its employees. The terms and conditions of the bond, and the surety thereon, shall also be subject of the approval of the Owner and DHCD, and shall be in an amount not less than two times the total of the following:

- a. The maximum possible monthly rent collections based on 100% occupancy; and
- b. Non-Housing Income; and
- c. The maximum possible funds being held as security deposits based on 100% occupancy.

Section 14. Expiration.

14.1 Unless sooner canceled pursuant to paragraph 12.1 or paragraphs 14.2 - 14.5 of this Section, this Agreement shall be in effect from the date of execution until _____. Execution shall not be deemed complete unless and until this Agreement has been approved in writing by DHCD.

14.2 Failure to Comply; Probationary Status of Agent.

Should the Agent fail to comply with any and all requirements of DHCD, as outlined herein, DHCD shall notify the Agent of its noncompliance and provide 10 business days for Agent to cure this default. If Agent fails to cure the default, DHCD shall place the Agent on a sixty (60) day probationary status during which the fee to the Agent shall be reduced by two percent (2%) per month of the fee stipulated in the Agreement. This penalty shall be reviewed after sixty (60) days and lifted if the Agent achieves full compliance with DHCD requirements, as determined by DHCD in its sole discretion. If the Agent does not achieve compliance within ninety (90) days, DHCD, at its option, may exercise its right to extend the probationary period or terminate this Agreement as stated below.

14.3 Termination By Owner.

In the event that the Agent shall fail to perform any of its duties hereunder or comply with any of the provisions hereof, the Owner may terminate this Agreement with cause upon Owner’s 30 day written notice to the Agent. Termination of this Agreement by Owner must have prior written approval of DHCD.

14.4 Termination Because of Bankruptcy.

In the event that a petition in bankruptcy is filed by or against either the Owner or the Agent, or in the event that either shall make an assignment for the benefit of creditors to take advantage of any

insolvency act, either party hereto may immediately terminate this Agreement without notice, but prompt advice of such action shall be given to the other party and to DHCD.

14.5 Termination by DHCD.

It is expressly understood and agreed by and between the Owner and the Agent that DHCD shall have the right to terminate this Agreement, with or without cause, on 10 business days' written notice to the Owner and the Agent; except that in the event of a default by the Owner under its mortgage to DHCD or the Regulatory Agreement, DHCD shall have the right to terminate this Agreement immediately without notice, but prompt advice of such action shall be given to the Owner and the Agent. It is further understood and agreed that no liability shall attach to DHCD in the event of termination of this Agreement pursuant to this paragraph. Upon receipt of such notification, the Owner shall terminate the contract within a period of not more than 30 days and shall make arrangements satisfactory to DHCD for continuing proper management of the Project. In the event there is an identity of interest between the Owner and the Agent, the above provisions for termination of the Agent by DHCD shall in no way be limited or compromised. The Owner shall in all instances comply with the directives of DHCD.

14.6 Accounting Upon Termination.

Within 10 days after the termination of this Agreement, the Owner and Agent shall account to each other with respect to all matters outstanding as of the date of termination, the Owner shall furnish the Agent security against any outstanding obligations or liabilities which the Agent may have incurred hereunder, and the Agent shall turn over to the Owner all records, documents or other instruments, waiting lists, and any and all other files and papers in its possession pertaining to the Agent's performance under this Agreement.

Section 15. Assignments.

This Agreement shall inure to the benefit of and constitute a binding obligation upon the Owner and Agent, and their respective successors and assigns, provided that the Agent cannot assign this Agreement or any of its duties hereunder without the prior written consent of the Owner and DHCD.

Section 16. Amendment.

This Agreement constitutes the entire Agreement between the Owner and the Agent, and no amendment or modification thereof shall be deemed to be valid and enforceable except by supplemental agreement in writing, executed, and approved in the same manner as this Agreement.

Section 17. Execution of Counterparts.

For the convenience of the parties, this Agreement may be executed in counterpart copies, which are in all respects similar and each of which shall be deemed to be complete in itself so that any one may be introduced in evidence or used for any other purpose without the production of the other counterparts.

Section 18. Welfare to Work.

The Agent understands that as part of Maryland's continuing efforts to provide successful Welfare-to-Work opportunities, DHCD encourages loan and grant applicants, as well as the management companies

they work with, to make jobs available to Temporary Cash Assistance recipients. The Agent understands that further information on how to reach these resources is available from the Department of Human Resources, Office of Work Opportunities at (410) 767-7976 or the Department of Labor, Licensing and Regulation, Office of Employment Training at (410) 767-2800 or the Maryland Job service at (410) 767-3416. The Agent understands that Maryland also maintains a job bank on the internet at <http://www.careernet.state.md.us>.

NOTICE

Any person who knowingly makes or causes any false statement or report to be made for the purpose of influencing the action of DHCD is subject to a fine not exceeding \$50,000 or imprisonment not exceeding five years, or both.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first written.

WITNESS/ATTEST

[Owner]

By: _____
Name: _____
Title: _____

[Agent]

By: _____
Name: _____
Title: _____

As of the ____ day of _____, 20__, the Department of Housing and Community Development hereby approves and consents to the foregoing Management Agreement and the Agent appointed therein.

By: _____
Name: _____
Title: _____