

HOUSING MANAGEMENT AGREEMENT

This Agreement is made between the Canton Housing Authority ("Owner") and Imagineers LLC ("Agent").

1. Appointment and Acceptance. The Owner appoints the Agent to manage the property, as described in Section 2 of this Agreement, and the Agent accepts the appointment, subject to the terms and conditions set forth in this Agreement.
2. Description of Project. The property located at 21 Dowd Avenue to be managed under this Agreement is a housing development consisting of the land, buildings, and other improvements. The project is further described as follows:

Name: 21 Dowd Avenue

City: Canton

County: Hartford

State: Connecticut Number of Dwelling Units: 40

3. Definitions. As used in this Agreement:
 - a. "HUD" means the United States Department of Housing and Urban Development.
 - b. A "Mortgage" is an instrument of agreement between the Owner, as mortgagor, and the mortgagee, creating a lien on the Project as security for the payment of debt.
 - c. "Principal Parties" means the Owner and the Agent.
4. Regulatory Agreement. The Owner has entered or will accordingly enter into a Regulatory Agreement with HUD, whereby the Owner is obligated to provide for management of the project in a manner satisfactory to Consenting Parties. The Owner has furnished or will furnish the Agent with copies of the 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 Consenting Parties. In the event any instruction from the Owner is in contravention of such requirements, the latter will prevail.
5. Management Plan. The approved Management Plan is incorporated herein by reference and 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 approved by HUD and copies of all guaranties and warranties pertinent to

construction, fixtures, and equipment. With the aid of this information and through 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 ventilation systems, the elevator (if applicable) and all other mechanical equipment.

7. Marketing. The Agent will carry out the marketing activities prescribed in the Management Plan observing all requirements of the Affirmative Marketing Plan. Subject to the Owner's approval advertising expenses will be paid out of the property income.
8. Rentals. The Agent will offer for rent, and will rent the dwelling units, parking spaces (if applicable) and other rental facilities and concessions in the Project. Incident thereto, the following provisions will apply:
 - a. The Agent will make preparation for initial rent-up, as described in the Management Plan.
 - b. The Agent will follow the tenant selection policy described in the Management Plan, giving preference to low-and moderate-income elderly and disabled individuals.
 - c. The Agent will show the premises to prospective tenants.
 - 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 one (1) year. A current list of prospective tenants will be maintained.
 - e. The Agent will prepare all dwelling leases and parking permits (if applicable) and will execute the same in its name identified thereon as agent for the Owner. The terms of all leases will comply with the pertinent provisions of the Regulatory Agreement, and the directives of Consenting Parties. Dwelling leases will be a form approved by the Regulatory Agreement, the Owner and Consenting Parties.
 - f. The Owner will furnish the Agent with Financials including rent schedules on a monthly basis or as agreed by Consenting Parties. Eligibility for dwelling rents that are less than fair market rents, and the amount of such lesser rents, will be determined in accordance with the Regulatory Agreement.
 - g. The Agent will counsel all prospective tenants regarding eligibility and will prepare and verify eligibility certifications and recertifications in accordance with the Regulatory Agreement, and the directives of HUD for Section 8 units.
 - h. The Agent will collect, deposit, and disburse security deposits if required, in accordance with the terms of each tenant's leases. The amount of each security deposit will be as specified in the Management Plan. Security deposits will 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 the Federal Deposit Insurance Corporation. This account will be carried in the Agent's name and designated in record as "21 Dowd Security Deposit Account".
9. Rent Collection and Other Receipts. The Agent will collect when due all rents, charges and other amounts receivable on the Owner's account in connection with the management and operation of the property. Such receipts (except for tenants' security deposits; see Subsection 8H) will be deposited in an account, separate from all other accounts and funds, with a bank whose deposits

are insured by the Federal Deposit Insurance Corporation. This account will be carried in the Agent's name and designated of record as "21 Dowd Rental Account".

10. Enforcement of Leases. The Agent will enforce full compliance by each tenant with the terms of the lease. Subject to the pertinent procedures prescribed in the Management Plan, the Agent may lawfully terminate any tenancy when, in the Agent's judgment, sufficient cause for such termination occurs under the terms of the tenant's lease. For this purpose, the Agent is authorized to consult with legal counsel to be designated by the Owner or agreed upon by the Consenting Parties, to bring actions for eviction and to execute notices to vacate. The Agent will keep the Owner informed of such actions. Attorney fees and other necessary costs incurred in connection with such actions will be paid out of the Rental Agency account as project expenses.
11. Maintenance and Repair. The Agent will maintain the Project in good repair in accordance with the Management Plan and local codes, and in a condition at all times acceptable to the Owner and Consenting Parties, including but not limited to cleaning, painting, decorating, plumbing, carpentry, grounds care, and such other maintenance and repair work as may be necessary.

The following provisions will apply:

- a. Special attention will be given to preventive maintenance, and to the greatest extent feasible, the services of site maintenance employees will be used.
 - b. Subject to the Owner's prior approval, the Agent will contract with qualified independent contractors for the maintenance and repair of 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 action justified, and will keep records of the service requests. 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 proper maintenance and repair.
 - e. Notwithstanding any of the foregoing provisions, prior approval of the Owner will be required for any expenditure which exceeds one thousand dollars (\$1,000.00) in any one instance for labor, materials, or otherwise in connection with the maintenance and repair of the Project, except for recurring expenses within the limits of the operating budget or emergency repairs involving immanent danger to persons or property, or required to avoid suspension of any necessary service to the Project. In the latter event, the Agent will inform the Owner of the facts as promptly as possible.
12. Utilities and Services. In accordance with the Management Plan and the operation budget, the Agent will make arrangements for water, electricity, gas, fuel oil, sewage and trash disposal, vermin extermination, decorating, laundry facilities, and telephone services. Subject to the Owner's prior approval, the Agent will make such contracts as may be necessary to secure utilities and services.

13. Employees. The Management Plan prescribes the number, qualifications and duties of the personnel to be regularly employed in the management of the Project. Any on-site personnel will be employees of the Agent, and will be hired, paid, supervised and discharged by the Agent.
14. Disbursements from Rental Agency Account.
 - a. From the funds collected and deposited by the Agent in the Rental Agency Account pursuant to Section 9 above, the Agent will make the following disbursements promptly when payable:
 - i. The payments required to be made by the Owner to the Mortgagee (if applicable)
 - ii. All sums otherwise due and payable by the Owner as expenses of the Project authorized to be incurred by the Agent under the terms of this Agreement, including compensation payable to the Agent, pursuant to Section 23 below, for its service hereunder, payments to the Replacement Reserve Account, taxes, and insurance, maintenance and repair personnel and contractor expenses under Section 9 above will be included as expenses of the project.
 - b. In the event the balance in the Rental Agency Account is at any time insufficient to pay disbursements the Agent will inform the Owner of that fact and the Owner will then remit to the Agent sufficient funds to cover the deficiency. In no event will the Agent be required to use its own funds to pay such disbursements.
15. Budgets. Annual operating budgets for the project will be approved by HUD and the Owner. The Agent will prepare a recommended operating budget for each subsequent fiscal year beginning during the term of this Agreement, and will submit the same to the Owner at least sixty (60) days before the beginning of the fiscal year. This budget will be on forms provided by the owner and will include a month-by-month estimate of revenue, expenses, debt service and net operating profit or loss for each month of the fiscal year. The Owner will promptly inform the Agent of any changes incorporated in the approved budget, and the Agent will keep the receipts or disbursements stated in the approved budget.
16. Records and Reports. In addition to any requirements specified in the Management Plan or in other provisions of this 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 the Owner & HUD. All records, books, and accounts will be subject to examination at reasonable hours by any authorized representative of the Owner or the Consenting Parties.
 - b. With respect to each fiscal year ending during the term of this agreement, the Agent will have an annual financial report prepared by a Certified Public Accountant or other person acceptable to the Owner. The report will be prepared in accordance with the directives of Consenting Parties, will be certified by the preparer and the Agent, and will be submitted to the Owner within sixty (60) days after the end of the fiscal year. Compensation for the preparer's services will be paid out of the Rental Agency Account as an expense of the Project.
 - c. The Agent will prepare a monthly report comparing actual and budgeted figures for receipts and disbursements for the month in question and for the year to date and will

- submit each such report to the Owner within fifteen (15) days after the end of the month covered.
- d. The Agent will furnish such information, as requested, to the Owner, Consenting Parties, or HUD from time to time with respect to the financial, physical, or operational conditions of the Project.
 - e. By the fifteenth (15th) day of each month, the Agent will furnish the Owner with an itemized list of all delinquent accounts, including rental accounts, as of the tenth (10th) day of the same month.
 - f. By the tenth (10th) day of each month, the Agent will furnish the Owner with a statement of receipts and disbursements during the previous month, and with a schedule of accounts receivable and payable, and reconciled bank statements for the Rental Agency Account and Deposit Account as of the end of the previous month.
 - g. Except as otherwise provided in this Agreement, all off-site bookkeeping, clerical, and other management overhead expenses (including but not limited to costs of office supplies and equipment, data processing services, postage, transportation for managerial personnel, and telephone services) will be borne by the Agent out of his own funds and will not be treated as Project expenses as per the management budget. The cost of supplies, equipment, postage, telephone and internet at the property is paid for by the project funds.
17. Fidelity Bond. The Agent will furnish, at its own expenses a fidelity bond in the principal sum of One Million Dollars (\$1,000,000) or the gross potential income for two months, whichever is greater, and is conditioned to protect the Owner and the Consenting Parties against misappropriation of the 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 and the Consenting Parties.
 18. Bids, Discounts, Rebates, etc. The Agent will obtain contracts, materials, supplies, utilities, and service on the most advantageous terms to the Project, and is authorized to solicit bids, either formal or informal, for items that 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 other transactions on the Owner's behalf.
 19. Insurance. The Owner will inform the Agent of insurance to be carried with respect to the Project and its operation, and the Agent will cause such insurance to be placed and kept in effect at all times. The Agent will pay premiums out of the Rental Agency Account, and premiums will be treated as operating expenses. 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 Consenting Parties, 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 the Consenting Parties. The Agent will investigate and furnish the Owner with full reports as to all accidents, claims, and potential claims for damage relating to the Project, and will cooperate with the Owner's insurers.

20. Compliance with Governmental Orders. The Agent will take such actions as may be necessary to comply promptly with any and all governmental orders or other requirements affecting the Project whether imposed by Federal, State, County or Municipal Authority.

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 from the time of their receipt.

21. Nondiscrimination. 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, sex, creed or national origin, including Title VI of the Civil Rights Act (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) is pursuant to that Title; regulations issued pursuant to Executive Order 1: and Title VIII of the 1968 Civil Rights Act.
22. Agent's Compensation. The Agent will be compensated for its services under this Agreement by monthly fees, to be paid out of the Rental Agency Account and treated as Project expenses of \$2,000 per month. Such fees will be payable on the 1st day of each month.
23. Term of Agreement. This Agreement shall be in effect for a period of 1 year subject to the following conditions:
- a. This Agreement shall continue in full force and effect after the expiration of the original term upon the same conditions unless either party gives notice of cancellation to the other no later than thirty (30) days before the date on which cancellation is to be effective.
 - b. This Agreement will not be binding upon the Principal Parties until endorsement by the Principal Parties and HUD.
 - c. This Agreement may be terminated by the mutual consent of the Principal Parties as of the end of any calendar month, provided at least thirty (30) days advance written notice is given to each of the Consenting Parties.
 - d. In the event a petition of bankruptcy is filed by or against either of the Principal Parties, or in the event either makes an assignment for the benefit of creditors or takes advantage of any insolvency act, the other party may terminate this Agreement without notice to the other, provided prompt written notice of such termination is given to each of the Consenting Parties.
 - e. HUD may require the Owner to terminate the agreement:
 - i. Immediately, in the event of a default under the Mortgage, Note, Regulatory Agreement, or Subsidy Contract attributable to the management age occurs;
 - ii. Upon 30 days written notice, for failure to comply with the provisions of the Management Certification or other good cause; or
 - iii. When HUD takes over as MIP.
 - f. It is expressly understood and agreed by and between the Principal Parties that the Mortgagee shall have the right to terminate this Agreement at the end of any calendar month, with or without cause, on thirty (30) days advance written notice to each of the Principal Parties, except that in the event of a default by the Owner under its Articles of Incorporation under the obligation of the Mortgage, the Secretary or the Mortgagee may

terminate this Agreement immediately upon the issuance of a notice of cancellation to each of the Principal Parties in the event of such termination.

- g. Upon termination, the Agent will submit to the Owner any financial statements required by HUD and, after the Principal Parties have accounted to each other with respect to all matters outstanding as of the date of termination, the Owner will furnish the Agent security in form and principal amount satisfactory to the Agent, against any obligations or liabilities the Agent may properly have incurred on behalf of the Owner hereunder.

24. Interpretative Provisions.

- a. At all times, this Agreement will be subject and subordinate to all rights of HUD, and will insure to the benefit of and constitute a binding obligation upon the Principal Parties and their respective successors and assigns. To the extent that this Agreement confers rights upon the Consenting Parties, it will be deemed to inure to their benefit, but without liability to either, in the same manner and with the same effect as though the Consenting Parties were primary parties to the Agreement.
- b. This 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 the Consenting Parties 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.

The Principal Parties (by their duly authorized officers) have executed this Agreement

OWNER: Canton Housing Authority

BY: Sarah P. Cherry

By: _____

Title: Chairman CHA

WITNESS:

[Signature]

Date 9-11-12

AGENT: IMAGINEERS LLC

By: [Signature]

Title: President

WITNESS

[Signature]

Date 9/11/12