



Request for Proposal (RFP #22-05)
Property Management Services
Baybrook Park Retirement Center Ltd.

July 5, 2022

I. Introduction/Background

Harris County Housing Authority (HCHA), referred to as the (Owner), is requesting proposals from qualified property management companies, referred to as the (Offeror), to provide Property Management Services for Baybrook Park Retirement Center Ltd., a 100-unit 55+ Senior Community located in Webster, TX.

The Owner intends to solicit proposals, evaluate the proposals, conduct oral presentations with the Offerors in the competitive range, verify the information presented, and award a contract to the responsible firm whose proposal is most advantageous to the Owner, with price and other factors considered.

Prospective Offerors desiring any explanation or interpretation of this solicitation must submit the request in writing no later than July 19, 2022. The request must be e-mailed to Gayla Mickens at gayla.mickens@hchatexas.org. Any information given to a prospective Offeror about this solicitation will be furnished to all other prospective Offerors as a written amendment to the solicitation. All amendment(s) to this solicitation, if issued, will be posted on HCHA's website www.hchatexas.org. All Offerors are encouraged to check the HCHA website for amendment(s) issuance.

The Owner will enter into a two-year contract for Property Management Services, with an option to renew the contract for an additional two years. The renewal period is subject to the Owner's approval. The Property Management Services will include, but not be limited to, the following duties and responsibilities:

- 1) Signage packet, brochure design, and area market rent analysis;
- 2) New tenant intake, including marketing, establishing and maintaining a site-based waiting list, determination of applicant eligibility, applicant screening, and tenant selection;
- 3) Lease execution, including explaining the lease and all attachments;
- 4) Collection of rent and charges in addition to rent;
- 5) Lease enforcement;
- 6) Full maintenance repair of the development;
- 7) Full responsibility for hiring and firing of staff and staff training;
- 8) Annual reexaminations of income and family composition;
- 9) Annual unit inspections;
- 10) Unit turnover, including preparing vacated units for re-leasing and leasing;
- 11) Capital improvements and repairs;
- 12) Purchase of all required supplies and services. Full fiscal management responsibilities including preparing annual operating budgets,

monthly financial reporting, and keeping expenses and income within approved budget amounts;

- 13) Providing weekly and monthly reports as specified by the Owner;
- 14) Assisting with the identification and selection of the Social Service Provider to ensure a full array of services is being delivered to support the resident population. Administering the Social Services Provider's Contract.

A. Submission Package

The complete submission package must be emailed to Gayla.Mickens@hchatexas.org and received by HCHA (the Owner), by July 27, 2022, at 3:00 PM. All copies of the submission package must be emailed and labeled as follows:

**Property Management
Services-Baybrook
Park RFP #22-05
Due Date and Time: July 27, 2022, 3:00 PM
Name of Offeror _____**

The submission package must be signed by an officer of the Offeror who is legally authorized to enter into a contractual relationship in the name of the Offeror. RFP submissions may also be emailed as a PDF attachment to horace.allison@hchatexas.org. Proposals by mail, telegram, telephone, facsimile, or handwritten proposals, will not be accepted by HCHA.

B. Anticipated Schedule of Events

The anticipated schedule for the RFP and contract approval is as follows:

Event	Date
1. RFP available for distribution	July 10, 2022
2. Deadline for receipt of proposals	July 27, 2022
3. Final Selection - includes oral interviews, site visits and Best and Final Offers	August 8, 2022

C. Expense of Submission Package

All expenses involved with the preparation and submission of the proposal, site visit, and all oral interviews must be borne by the Offeror.

D. Overview – Development

Baybrook Park Apartments
500 W. Texas Ave
Webster, Texas 77598

Census Tract: 3410.01

Acreage: 5.6

Date of Initial Occupancy: December 2004

Building Type: The development is comprised of 100 units of mixed-income housing (68 (1) (1) bath units and 32 (2) bedrooms/ (2) bath units). The development comprises four evenly distributed medium garden-style walk-up buildings, one low-rise elevator, and a 2,667-square-foot Community Center, including leasing offices, a dining area, a game/TV room, a warming kitchen, and public restrooms. A 208-square-foot laundry facility is also located in the residential building. In addition, other amenities include community gardens, a swimming pool, a BBQ pavilion, a horseshoe flat, and perimeter security fencing with a controlled access gate.

Rent restrictions:

1 bedroom	13 units	Unrestricted
1 bedroom	14 units	50% AMI or below
1 bedroom	35 units	60% AMI or below
1 bedroom	6 units	30% AMI or below
2 bedrooms	7 units	Unrestricted
2 bedrooms	6 units	50% AMI or below
2 bedrooms	16 units	60% AMI or below
2 bedrooms	3 units	30% AMI or below

Area Resources:

- Shopping is available in the area
- Located along a regular Metro bus & rail routes
- Near the UTMB Medical Center

E. General Requirements

The selected Offeror must be prepared to assume management responsibilities.

HCHA (the Owner) will utilize a two-stage selection process. First, the Housing Authority will rate and rank written proposals based on the selection criteria contained herein. Next, the Offerors falling in the competitive range will be invited to an interview and may also be asked to provide Best and Final offers. Selection will be made based on those who score the highest in qualifications, price, and other factors considered, and the results of the interviews as stated in the evaluation and selection criteria.

The Owner is looking for price-competitive Offerors with demonstrated, successful multi-family property management experience and knowledge.

F. HCHA Options

- 1) HCHA (the Owner) may, at its sole and absolute discretion for any reason, reject any and all proposals; re-advertise this RFP; postpone or cancel, at any time, this RFP process; or waive any informalities in this RFP or the proposals received as a result of this RFP. Any decision as to who shall receive a contract award, or

whether or not an award shall ever be made as a result of this RFP, shall be at the sole and absolute discretion of the Owner.

- 2) In no event will the Owner permit modifications to a response statement after the submission deadline unless such modification is non-substantive.

G. Qualification Statements Open to the Public

Prospective Offerors are notified that all information submitted as part of or in support of this RFP may be subject to public disclosure in compliance with state and federal laws.

H. Level of Effort and Funding

It should be clearly understood that all services requested in the RFP are on an "as-needed basis" and that the dollar values referred to in this RFP in no way constitute a guarantee of a certain dollar amount or a finite scope of services that may be required of the selected Offeror. Any increase in additional services shall be negotiated, and the selected Offeror may be required to execute an amendment to the management agreement.

II. MINIMUM REQUIREMENTS

The Offeror will be deemed unresponsive to this RFP if it does not meet the following minimum threshold criteria:

- 1) Currently manages a portfolio of multi-family housing in excess of 500 units
- 2) Possesses a Certified Property Management certificate.
- 3) Has current or previous experience directly managing affordable housing.
- 4) Complies with all of the submission requirements.

If the Offeror does not meet the above minimum threshold requirements, its proposal may not be evaluated.

III. TERMS AND CONDITIONS

Rules, Regulations, and Licensing Requirements

A. Rules, Regulations, and Licensing Requirements

The Offeror and staff must possess all necessarily required license(s) to do business in Harris County and the State of Texas. In addition, the Offeror shall comply with all laws, ordinances, and regulations applicable to the services contemplated herein, especially those applicable to conflict of interest. Offerors are presumed to be familiar with all federal, state, and local laws, ordinances, codes, rules, and regulations that may in any way affect the services.

B. Term of Management Agreement

The successful Offeror shall enter into a management agreement. The management agreements to be awarded shall be for two years with a two-year renewal option. The

renewal option is subject to HCHA's (the Owner's) approval. The management agreement includes a provision for termination for convenience by Offeror or Owner with a 30-day written notice. The agreement will also outline situations where the successful Offeror can be terminated immediately "for cause."

C. Performance Standards

1. Vacancy Turnaround.

The Owner's monthly standard for vacancy turnaround time is 25 days. This includes make-ready and lease-up time. The monthly report must include the following for each vacated unit:

- (i) The date the unit was vacated.
- (ii) The name of the former resident who vacated.
- (iii) The unit number of the vacated unit.
- (iv) The size of the vacated unit.
- (v) Reason tenant vacated unit.
- (vi) The date maintenance began to "make ready" the unit.
- (vii) The date maintenance completed all "make ready" repairs.
- (viii) The date the unit was re-leased.

2. Work Orders.

- (ix) **Emergency.** Emergency work orders address an immediate threat to life, health, and safety to property or the resident or are related to fire safety. The Owner's standard for an emergency work order is for all orders to be completed or abated within 24 hours.
- (x) **Non-Emergency.** Non-emergency work orders address conditions that do not pose an immediate threat to life, health, or safety to property or the resident or are not related to fire safety. The Owner's standard for completing non-emergency work orders is within four days.
- (xi) **Inspections.** The Owner's annual standard for inspections is for all Housing Quality Standards (HQS) inspections to be conducted each year. Further, the property manager must inspect all units within 12 months of the previous HQS inspection.

3. Recertifications.

The Owner's annual standard for recertifications as applicable is that each tenant household must be recertified no more than ninety (90) days and no less than thirty (30) days prior to the tenant's lease expiration. Tenants may be contacted regarding recertification no earlier than 120 days prior to the tenant household's lease expiration. The monthly report must indicate for each tenant whose lease expired during the preceding month the date the tenant was contacted regarding recertification and the date recertification was completed.

D. Resolving Conflicts and Ambiguities

All of the remaining provisions in the Management Agreement shall remain in full force and effect. In the event that any of the provisions herein conflict or create ambiguities with the Agreement, the resolution of such conflict or ambiguity shall be that which most benefits the Owner.

Retention of Management Fee

For each performance standard that is not met monthly by the Offeror, the Owner may retain a portion of the monthly base fee to be paid to the Offeror. The terms defining the amount of retention by Owner and the opportunity for cure by Manager are set forth below:

1. **10% Retention.** The Owner may retain up to 10% of the monthly base fee if the Offeror fails to meet the required performance standards in any of the following areas in a given month:
 - i. Tenant Accounts Receivable;
 - ii. Vacancy rate;
 - iii. Vacant unit Turnaround; and
 - iv. Work Order completion time.

The 10% retention shall apply to each performance standard separately. For example, if the Offeror fails to meet three performance standards in a month, the retention for that month would be 30%.

The Offeror may cure any monthly deficiency for the above performance areas by bringing the cumulative average for all completed months in the year into compliance with the performance standard, which will entitle the Offeror to pay any fee retained for that performance standard.

2. **Unit-based Retention.** For the Inspection and Recertification performance measures, the Owner may retain an amount equal to the annual fee per unit (i.e., the monthly per-unit fee multiplied by 12) if the Offeror fails to meet the required performance standard for any unit during the calendar year. See the following examples:
 - i. Example 1: The Offeror fails to meet the inspection standard for three units in a given month. The Owner may retain an amount equal to the annual fee per unit multiplied by 3.
 - ii. Example 2: The Offeror fails to meet the performance standard for recertification for two units and inspection for two units. The Owner may retain an amount equal to the annual fee per unit multiplied by 4.
 - iii. Example 3: The Offeror fails to meet both the inspection and recertification performance for the same unit. The Owner may retain an amount equal to the annual fee per unit multiplied by 2.

For the retention based on the annual fee per unit under this section, the Manager cannot cure any failure to meet the required performance standard.

Manager may submit, as part of its regular monthly report, an explanation for any failure to meet a

performance standard, and the Owner shall determine in its sole discretion whether an explanation is sufficient to avoid retention by Owner. The Owner shall notify Manager in writing within fifteen 15 days of the receipt of any monthly report if the Owner decides to retain any portion of the management fee.

Appealing The Owner's Retention of Management Fee

The Offeror may appeal the Owner's decision to retain a percentage of the management fee. Appeals must be submitted in writing to the Owner to the attention of the Chief Executive Officer of HCHA(the Owner). Appeals must contain as attachments any evidence necessary to support any assertion made in the appeal. The Owner shall respond to a properly submitted appeal within thirty (30) days of its receipt and shall state its decision regarding the appeal. Decisions regarding any appeal shall be made at the Owner's sole discretion and shall be final.

Assignment

The successful Offeror shall not enter into any subcontract, retain consultants, or assign, transfer, convey, sublet, or otherwise dispose of this contract, or any or all of its rights, title, or interest therein, or its power to execute such contract, to any person, company or corporation without the prior written consent of the Owner and HUD. In the event of a change of control of the successful Offeror, the Owner will have the option to either continue the Property Management Agreement in effect or immediately terminate the Property Management Agreement upon written notice of such termination to the successful Offeror.

Pertinent Federal Regulations with Regard to Nondiscrimination and Equal Opportunity

The requirements of Title VIII of the Civil Rights Act of 1968 and Title VI of the Civil Rights Act of 1964 relating to prohibitions against discrimination in housing and the benefits of federally funded programs because of race, color, religion, sex, or national origin must be met by the Offeror.

The Offeror must adhere to federal regulations prohibiting discrimination on the basis of age under the Age Discrimination Act of 1975 and prohibit discrimination against individuals with disabilities under Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990.

The requirements of Executive Order 11246, relating to equal employment opportunity in connection with federally funded programs, must be met by the Offeror and as amended by Executive Order No. 11375, as supplemented by the Department of Labor Regulations (41 CFR, Part 60).

The Offeror must meet the requirements of Executive Orders 11625, 12432, and 12138 relating to the use of minority and women's business enterprises in connection with federally funded programs.

1. Personnel

In submitting their proposals, Offerors are representing that the person described in their proposals shall be available to perform the services described, barring illness, accident, or other unforeseeable events of a similar nature, in which case the Offeror must be able to provide a qualified replacement. Furthermore, all personnel shall be considered to be, at all times, the sole employees of the Offeror under its sole direction and not employees or agents of the Owner.

2. Availability of Records

The U. S. Department of Housing and Urban Development, the Inspector General of the United States, HCHA, Harris County Community Services Department, Texas Department of Housing and Community Affairs, and any duly authorized representatives of each shall have access to and the right to examine any and all pertinent books, records, documents, invoices, papers, and the like, of the firm(s) office or firm, which shall relate to the performance of the services to be provided.

3. Conflict of Interest

No employee, officer, or agent of the HCHA shall participate directly or indirectly in the selection or award of any contract if a real or apparent conflict is involved. Such conflict would arise when a financial or other interest in an agency selected for award is held by:

- i. An employee, officer, or agent involved in making the award; or
- ii. His/her relative including father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, domestic partner, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half-brother, or half-sister; or
- iii. His/her business or professional partner; or
- iv. An organization which employs, negotiating to employ, or has an arrangement concerning prospective employment of any of the above.

IV. Conditions and Limitations

This RFP does not represent a commitment or offer by HCHA (the Owner) to enter into a contract or other agreement with an Offeror. The Offeror must bear all costs incurred in preparing this proposal. The proposal and any information made a part of the proposal will become a part of the Owner's official files without any obligation on the Owner's part to return it to the individual Offeror. By reference, this RFP and the selected Offeror's proposal will become a part of any formal agreement between the Offeror and the Owner resulting from this solicitation.

The Owner reserves the right to waive any irregularities or informalities in any or all proposals or any part thereof. Failure to furnish all information requested may disqualify an Offeror.

The Owner reserves the right to request clarification of proposal data without changing the terms of the proposal.

The Offeror shall not offer any gratuities, favors, or anything of monetary value to any official or employee of the Owner to influence consideration of a proposal.

The Offeror shall not collude in any manner or engage in practices with any other Offeror(s) which may restrict or eliminate competition or otherwise restrain trade. Violation of this instruction will cause the proposal to be rejected. This prohibition is not intended to preclude joint ventures or subcontracts.

V. SUBMISSION REQUIREMENTS

Document Requirements

Offerors are requested to submit proposals based on the exact requirements specified in this RFP.

The following describes the minimum information offered by Offerors in their proposals must supply. It is open to all Offerors to give such supplementary facts or materials that they consider may be of assistance in the evaluation of the proposal submitted. Proposals that omit critical elements may be

considered non-responsive. Each proposal shall include a Table of Contents listing the proposal contents. Proposal packages must contain, at a minimum, the following information and materials:

a. Letter of Transmittal

Signed by the person authorized to commit the organization to perform the services in the proposal.

b. Proposal Table of Contents

c. Offeror Experience

Offerors shall provide the following as evidence of Offeror's experience in the order listed:

- i. Provide a description of the firm, including a list of the principals and their resumes and any joint venture partnerships.
- ii. A listing of all public, subsidized, and private multi-family housing currently managed by Offeror, with the name and contract representative of the property owners (who may be contacted as references), the length of the contract, address of the property, the form of subsidy (if applicable), type of property (elderly, family, mixed), number of units, and whether the property is an affordable housing project.
- iii. Evidence of the firm's experience managing low-income housing, elderly and/or assisted housing projects, and that the firm currently manages a portfolio in excess of 500 units.
- iv. Evidence of experience in management and lease-up, including experience in screening a high volume of tenant candidates.
- v. Evidence of experience in resident participation initiatives and the delivery of social supportive services.
- vi. Demonstration of knowledge of the management of affordable housing in the Houston rental market.
- vii. Evidence of the ability to develop and implement an effective marketing and pre-leasing plan.
- viii. Resumes and position descriptions of senior management members who would be assigned to oversee the project (for example, the regional property manager). Show an organizational chart of your staffing structure, including regional office locations.
- ix. An actual or prototypical budget and income and expense report for a property managed by the Offeror as evidence of the Offeror's financial reporting systems and expertise in operating matters.
- x. Year-end financial statements for the last three completed fiscal years for the Offeror.

d. Company's Affirmative Action Policy and Accomplishments

Provide a description of the Offeror's accomplishments related to ownership, personnel, and purchase of goods and services to this end.

e. Certifications and Affidavits

Offerors shall submit the following certifications and affidavit as attached in Section VIII:

- i. A copy of the Offeror's applicable license to operate in the State of Texas

- or Corporate Property Management Certification.
- ii. Insurance certification showing the minimum limit(s) required in the management agreement.

f. Management Fee

The Offeror shall state its proposed management fee. The Offeror must describe the proposed fee to manage the property as a percentage of rent collected and provide a detailed breakdown of how calculated.

g. References

The Offeror shall submit five references. Three of the five references should be owners of properties currently being managed by the Offeror, and one of the five references should be a financial institution doing business with the Offeror.

h. Attachments

The Offeror agrees to complete all forms attached and return them with the bid or, if required by law, file the form with the appropriate agency.

VI. GENERAL REQUIREMENTS OF MANAGEMENT AGREEMENT

Offerors will be responsible for the full range of services customary of a property management company. In performing these duties, the Offeror must comply with all applicable federal, state, and local laws.

VII. EVALUATION/SELECTION PROCESS AND SELECTION CRITERIA

Proposals will be evaluated by an Evaluation/Selection Committee comprised of the appropriate HCHA staff with the appropriate experience and/or knowledge.

The Committee will present its recommendations to the Board of Commissioners of HCHA. Offerors will be evaluated on the following eight (9) factors. After the initial scoring of proposals, those deemed by the Committee to be within the competitive range will become finalists and be asked to appear for an oral interview to clarify issues and, if necessary, following the interview, to submit "best and final" offers.

After interviews and the receipt of best and final offers, each of those Offerors will be re-evaluated and re-scored using nine (9) factors (the original eight (8) factors and adding the tenth factor for site visit and management of Offeror's property, worth 10 points). The Offeror with the highest overall score will be selected as the property manager of choice. Prior to the final selection of Offeror, HCHA (the Owner) will undertake due diligence of Offeror including, but not limited to reference checks, affirmation of financial condition, etc. Any material discrepancies found as a result of due diligence may cause the Housing Authority to eliminate the Offeror from further consideration. The Owner, in its sole discretion, may then undertake due diligence on the Offeror with the next highest score from among those Offerors in the competitive range or undertake a new procurement.

1.	Demonstrated successful experience and capability of the Offeror in providing services described in this RFP.	20 points
2.	Demonstrated successful experience and capability of the proposed staff in managing senior affordable housing	20 points
3.	Demonstrated ability of the Offeror to provide the resources (staffing, equipment, office facilities, etc.) necessary for the timely and efficient implementation of goals and objectives as described in the RFP.	15 points
4.	Proposed management fee and level of service are reasonable and appropriate in relation to the services requested	20 points
5.	The Offeror's proposed methodology is reasonable and logical and will ensure that Owner requirements will be met and indicates that the Offeror has a clear understanding of the scope of services required.	10 points
6.	Demonstrated experience in the administration of the delivery of resident social supportive services.	10 points
7.	Demonstrated extensive and established financial management system and tenant database capability.	10 points
8.	Demonstrated experience and/or commitment to using Section 3 and/or MWBE vendors for services at the property.	5 points
9.	Site visit and management of Offeror's properties (for Finalists only).	10 points

TOTAL: 120 points

VIII. DISCLAIMER

The Owner reserves the right to refuse and reject all proposals and not award any contract. Further, except for the date of acknowledgment and the date the proposal is due, the Owner is not obligated to meet the schedules contained in their solicitation but fully intends to do so.

IX. ATTACHMENTS

All attachments of this RFP are incorporated herein as if fully copied verbatim and made part of this RFP

Attachment A

Listing of Properties Currently Under Management

Name of Firm:

Date:

Total Number of Units:

Total Number of Units in the Houston area:

[illegible]

ATTACHMENT B

SAMPLE MANAGEMENT AGREEMENT

DRAFT

MANAGEMENT AGREEMENT

THIS MANAGEMENT AGREEMENT ("Agreement") is made as of August __, 2022, by and between _____ a Texas liability company ("Owner"), and _____ ("Manager").

A. Owner is the owner of a 100-unit multifamily seniors apartment complex intended for rental to persons of low and moderate-income, known as Baybrook Retirement Center, Ltd, and located in Harris County, Texas (the "Apartment Complex").

B. Owner is a wholly-owned subsidiary of the Harris County Housing Authority ("HCHA").

C. Partial funding for the Apartment Complex came from the Harris County Community Services Department in HOME grants to HCHA, LIHTC funds, and private debt/financing, which place restrictions on qualified tenants for the Apartment Complex.

D. Manager is engaged in the business of property management.

F. Owner desires to engage Manager as a property manager under the terms set forth in this Agreement.

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, Owner and Manager mutually agree as follows:

1. Definitions.

"Affiliate" means any person that directly or indirectly, through one or more intermediaries, controls, or is controlled by or is under common control with a designated Person.

"Budget" shall mean the Budget for the Apartment Complex as prepared by Manager and approved by Owner from time to time pursuant to Section 6(e).

"HOME" means Community Development Block Grant to HCHA from the Harris County Community Services Department.

"Confidential Information" shall mean the books, records, business practices, methods of operations, computer software, financial models, financial information, policies and procedures, and all other information relating to Owner and the Apartment Complex (including any such information relating to the Apartment Complex generated by Manager), which is not available to the public.

"Excluded Revenues" means any revenues from condemnation or casualty proceeds, any cash advances from Owner or any partner of Owner, loss of rental insurance; refunds or rebates from suppliers or vendors, revenue from the sale of any personal or real property of Owner, late charges, cleaning fees, pet fees, deposits, or from any source other than the customary operations of the Apartment Complex.

"Grants" means the HOME grants to HCHA for the construction of the Apartment Project from the

Harris County Community Services Department.

“Gross Operating Revenues” means the actual monthly cash collections from the customary operations of the Apartment Complex consisting of rental, vending machine, and laundry room receipts net of any costs or expenses, forfeited or applied deposits, rent claim settlements net of any collection fees, lease termination or modification payments, and other operating receipts, excluding applicable sales tax and refundable deposits; Gross Operating Revenues shall not include Excluded Revenues.

“HUD” means the US Department of Housing and Urban Development.

“Person” means any individual, partnership, corporation, trust, limited liability company, governmental authority, or other entity.

“Project Lender” shall mean any Person in its capacity as a holder of a loan on the Apartment Complex.

“Project Loans” shall mean the loans and indebtedness of the Owner to the Project Lender(s).

“Regulatory Agreement” means, to the extent applicable and collectively, any regulatory agreements and/or any declaration of covenants and restrictions heretofore or hereafter entered into between the Owner and/or HCHA and any applicable government agency setting forth certain terms and conditions under which the Apartment Complex is to be operated, including without limitation the Grants.

“Reserve For Replacements” means the cash-funded reserve for replacements required by any Project Lender in connection with the Project Loans or Harris County Community Services Department in connection with the Grants, which shall be used exclusively for replacement expenditures (and not operational expenditures) for the Apartment Complex.

2. Appointment of Manager. On and subject to the terms and conditions of this Agreement, Owner hereby retains Manager commencing on _____, 20__ (the “Commencement Date”) to market, manage and lease the Apartment Complex.

3. Term. This Agreement shall commence on the Commencement Date and, subject to Section 11 of this Agreement, shall expire two (2) years following the Effective Date (the “Original Term”), but, unless terminated in accordance with the provisions of such Section II, may be extended for up to an additional two (2) year term at the sole option of Owner. The terms and conditions during any renewal term shall be the same as the terms and conditions during the original term.

4. Management Fees. In consideration of the performance by Manager of its duties and obligations hereunder, Owner shall pay to Manager a management fee (“Management Fee”) equal to 5% of monthly Gross Operating Revenues, which fee is calculated with respect to the preceding calendar month and payable on the tenth day of each calendar month, beginning with the month after the month during which the Commencement Date occurs. Manager shall submit to Owner an invoice detailing the calculation of the Management Fee each month no later than the fifth day of the next succeeding month. If the first or last month of this Agreement is not a full calendar month, the Management Fee for such month shall be calculated based on Gross Operating Revenues for the entire month, and the amount payable for such month

shall then be prorated based on the number of days during such month that this Agreement was in effect.

All rebates, discounts, or commissions collected by the Manager (except a commission pursuant to the terms of this Agreement) or credited to the Manager's use, which relate to the purchasing of supplies or the rendering of services to or for the Apartment Complex, shall be fully disclosed to Owner and that part of any rebate, discount or commission that is allocable to the purchasing of supplies or the rendering of services to or for the Apartment Complex shall be credited to the Owner's account.

5. Authority and Responsibilities of Manager.

- (a) Independent Contractor. In the performance of its duties hereunder, the Manager shall be and act as an independent contractor, with the sole duty to supervise, manage, operate, control, and direct performance of the details of its duties incident to the specified duties and obligations hereunder, subject to the rights of the Owner, as described herein. Nothing contained in this Agreement shall be deemed or construed to create a partnership, joint venture, employment relationship, or otherwise to create any liability for one party with respect to indebtedness, liabilities, or obligations of the other party except as otherwise may be expressly set forth herein.
- (b) Standard of Care. Manager shall perform its duties and obligations in a professional, competent, businesslike, and efficient manner as would a first-class property manager of apartment projects similar to the Apartment Complex.
- (c) Depository Accounts. All rents and other revenue from the Apartment Complex shall be deposited by Manager into one or more deposit accounts designated by Owner and insured by the Federal Deposit Insurance Corporation (each a "Depository Account") within one business day of receipt. The Depository Account shall be the sole and exclusive property of Owner, and Manager shall retain no interest therein. Manager shall not commingle the Depository Account with any other funds. Checks may be drawn upon such Depository Account only by persons authorized by Owner in writing to sign checks, at least one of whom shall be a designee of Manager and one a designee of Owner. No loans shall be made from the Depository Account. Manager shall not use a "standardized clearing account" for any Depository Account. The Depository Account shall be established in the name of the Manager to be held in trust for the Owner.
- (c) Security Deposits. Manager shall deposit and maintain all security deposits in a separate account designated by Owner and insured by the Federal Deposit Insurance Corporation (the "Security Account"). Manager shall fully fund all security deposits into the Security Account within one business day of receipt, notwithstanding whether local law requires full funding. The Security Account shall be a segregated account distinct from the Depository Account and any other accounts relating to the Apartment Complex or the Manager. The Security Account shall be the sole and exclusive property of Owner, and Manager shall retain no interest therein. Manager shall not commingle the Security Account with any other funds. Checks may be

drawn upon the Security Account only by persons authorized by Owner in writing to sign checks, at least one of whom shall be a designee of Manager and one a designee of Owner. No loans shall be made from the Security Account. Manager shall not use a “standardized clearing account” for the Security Account. The Security Account shall be established in the name of the Manager to be held in trust for the Owner.

- (e) Budgets. Manager shall prepare and present to Owner in a format approved by Owner, prior to the Commencement Date and annually thereafter, by November 15, annual operating and capital budgets for the following calendar year for the Apartment Complex; which once approved by Owner and Manager shall be the Budget (“Budget”). Except in cases of emergency, without the written approval of Owner, Manager shall not incur any expenses that are not included within the Budget for the current year. Once a Budget is approved by Owner, any variations or changes must be approved by Owner in writing.
- (f) Leasing, Collection of Rents, Etc.
 - (i) Manager shall use its best efforts, consistent with the standard of care set forth herein, to lease units in the Apartment Complex in accordance with the Regulatory Agreement requirements and the requirements of the Grants, obtain and retain residents and maximize Gross Operating Revenues.
 - (ii) Manager shall market the Apartment Complex making every reasonable effort to obtain suitable Residents when vacancies occur. This shall be done as expeditiously as possible to ensure units do not remain vacant for more than 25 days and to minimize loss of revenue. Occupancy of the Apartment Complex shall be limited to income-qualified seniors. The criteria governing eligibility of Residents for admission to any assisted units and the conditions of continued occupancy shall be in accordance with the Regulatory Agreement.
 - (iii) Manager shall rent apartments in the Apartment Complex at rates approved by Owner.
 - (iv) Manager shall sign apartment leases in its capacity as property manager hereunder. Manager shall only sign leases in the form of lease approved by Owner. Manager shall not enter into any lease with a term greater than 12 months or less than 6 months.
 - (v) Manager shall collect rents, security, deposits, and other charges payable by tenants in accordance with the tenant leases, and shall collect Gross Operating Revenues due to the Owner with respect to the Apartment Complex from all other sources, and shall deposit all such monies received immediately upon receipt as provided in Section 6(c) and Section 6(d) of this Agreement. If Manager receives Excluded Revenues, Manager shall immediately deposit

same in an account designated by Owner.

- (vi) Manager shall pay, in accordance with the Budget, all debt service, monthly bills, and insurance premiums on the Apartment Complex from the Depository Account. Manager shall also transfer funds from the Depository Account into the account designated by Owner as the Reserve For Replacements account. Manager is not authorized to pay for items outside the approved Budget without Owner's written approval. Manager may request advances from Owner from the Operating Reserve, which shall be paid by Owner at its sole discretion.
- (vii) Manager shall, at Owner's expense, terminate leases, evict tenants, institute and settle suits for delinquent payments as Manager deems advisable, subject to other provisions of this Agreement. In connection therewith, Manager may, at Owner's expense from available cash flow, as limited by the provisions of Section 6(o) of this Agreement, consult and retain legal counsel.
- (viii) Manager shall, on the twentieth (20th) day of each month, pay Owner an amount equal to Gross Operating Revenues, less amounts paid for approved operating expenses, pursuant to the Budget, of the Apartment Complex in accordance with this Agreement.
- (ix) Manager acknowledges the Owner's objective of complying with the Grants and acknowledges that tenant qualifications and rents on some of the units in the Apartment Complex are restricted.
- (x) Manager agrees to operate the Apartment Complex in a manner that meets the Regulatory Requirements (including the Grants), including but not limited to the following:
 - (A) causing the apartment units in the Apartment Complex to be leased to suitable tenants who comply with all Regulatory Requirements;
 - (B) obtaining from all tenants in the Apartment Complex the right to receive annual reports from such tenants concerning their incomes and family sizes and any other information required by the Regulatory Requirements;
 - (C) execution of a lease for any rental unit in respect of which Grants funding has been allocated to the Owner only upon first obtaining certification from the tenant, and such other information as may be necessary for the Manager to determine that the tenant satisfies the income criteria for low-income housing;
 - (D) preparation for Owner's signature and filing in a proper manner, any reports and/or certifications required by any Project Lender, HUD, and/or Harris County Community Services Department;

- (E) causing the Apartment Complex to be operated in a manner that complies with all other statutes, regulations, and agreements which must be complied with for Owner to comply with the Grants;
 - (xi) Manager acknowledges receipt of the Project's Promissory Note and HOME grant agreements between HCHA and Harris County Community Services Department and to comply with the requirements thereof with respect to reporting, leasing, funding, and payments. Manager agrees to comply with the terms and conditions set forth in the most current HUD Compliance Manual, as same shall be revised or amended from time to time; and
 - (xii) The responsibilities and services included in this Section 6 as part of Manager's duties shall not entitle Manager to any additional compensation over and above the Management Fee. Manager shall not be entitled to any compensation based upon any Apartment Complex financing or sale of the Apartment Complex unless Manager is engaged pursuant to a separate agreement approved in writing by Owner to provide brokerage services in connection therewith, in which case Manager's right to compensation for Apartment Complex financing or sale shall be based upon such separate agreement.
- (g) Repair, Maintenance, and Service.
- (i) Manager shall maintain the Apartment Complex in good repair and condition, consistent with the standard of care set forth herein. Manager shall make or cause to be made all necessary repairs and alterations, purchase required supplies and materials in accordance with the Budget and pay all bills, accounts, and indebtedness's relative thereto. Manager agrees to secure the prior written approval of Owner on all expenditures in excess of Five Thousand Dollars (\$5,000.00) for any one item, except monthly or recurring operating charges and/or emergency repairs in excess of the maximum, if, in the opinion of Manager, such repairs are necessary to protect and preserve the Apartment Complex from damage or to maintain the services to the lessees as called for in their leases. If Owner doesn't reject the expenditure approval within 5 business days of the request, such request shall be deemed as approved.
 - (ii) Subject to the other terms and conditions of this Agreement, Manager, in its capacity hereunder, shall execute any necessary contracts for electricity, gas, telephone, television, vermin or pest extermination, and any other services necessary to maintain the Apartment Complex consistent with the Budget. Manager shall, in Owner's name and at Owner's expense, out of available cash flow, hire and discharge independent contractors for the repair and maintenance of the Apartment Complex. Other than tenant leases, which

Manager is authorized to execute hereunder, Manager shall not, without the prior written consent of the Owner, enter into any contract in the name of Owner which may not be terminated without payment of penalty or premium with thirty (30) days notice. Manager shall act at arm's length with all contractors and shall employ no Affiliates of Manager without the prior written consent of the Owner.

- (h) Loans, Insurance. To the extent made possible from revenues generated by the Apartment Complex or other funds of the Owner, Manager is hereby instructed and authorized to service all loans and mortgages on the Apartment Complex, pay all applicable real estate and personal property taxes (if any), licenses, and fees; and, to pay from Owner's funds such insurance premiums as requested by Owner under Section 6(k) hereof.
- (i) Manager's Employees. Manager shall have in its employ at all times a sufficient number of employees to enable it to professionally manage the Apartment Complex in accordance with the terms of this Agreement. Manager shall prepare, execute and file all forms, reports, and returns required by applicable laws. Manager shall hire, supervise, direct, and discharge all employees and/or independent contractors required for the operation, leasing, management, and maintenance of the Apartment Complex, except that Owner, shall have the right to approve or request removal of, the on-site Manager. The compensation to be paid employees and independent contractors shall be competitive in the employment market. All employees shall be included in Manager's Workers Compensation Policy. Reports of withholding, social security, and all other payroll taxes shall be made by Manager under Manager's account number. All reasonable payroll costs for on-site employees shall be at Owner's expense pursuant to the Budget. However, Owner shall not pay or reimburse Manager for all or any part of Manager's general, administrative and overhead expenses, including salaries and payroll expenses of personnel of Manager not working on-site. All matters pertaining to the employment and supervision of such employees shall be the sole responsibility of Manager, which in all respects shall be the employer of such employees, and Owner shall have no liability with respect to such matters.
- (j) Insurance. Except as otherwise agreed in writing between the parties hereto, Manager shall maintain adequate workman's compensation insurance policies. Any and all other insurance maintained for the Project (such as fire, earthquake, burglary, rent, or extended coverage insurance) shall be obtained by the Manager at the Project's cost; Manager shall cause the Project to be fully insured with paid-up policies in accordance with the minimum industry standards in Harris County, Texas and the standards required by the Partnership Agreement and all loan documents executed in connection with any Mortgage. Manager shall furnish Owner with certificates or duplicates of said policies and shall name Manager as an additional insured on all liability policies. Manager shall maintain an umbrella liability policy on operations of _____ so long as such is reasonably available. Nothing

in this Agreement shall be construed to limit Manager's rights and recourse under the terms of any insurance policy procured pursuant to this Agreement. Except in case of fraud, willful misconduct or gross negligence, the doing of any act or the failure to do any act by Manager, the effect of which may cause or result in loss or damage to Owner, if done pursuant to the terms hereof or pursuant to Owner's instructions, shall not subject Manager to any liability to Owner and Owner hereby waives its right of recovery against Manager if any exists.

- (k) Maintenance of Records. Manager agrees to keep and maintain at all times all necessary books and records relating to the leasing, management, and operation of the Apartment Complex, including all books and records relating to the reporting requirements under the Grants, and to prepare and render to Owner monthly itemized accounts of receipts and disbursements incurred in connection with its leasing operation and management by the twentieth (20th) day of the following month. Unless Owner, in writing, expressly directs, Manager shall not be required to file any reports other than such monthly statements and the other reports required hereunder. An annual audit report shall be prepared at Owner's expense, out of Gross Operating Revenues, showing a balance sheet and an income and expense statement, all in reasonable detail and certified by an independent Certified Public Accountant. All books, correspondence, and data pertaining to the leasing, management, and operation of the Apartment Complex shall, at all times, be safely preserved. Such books, correspondence, and data shall, upon the termination of this Agreement, be delivered to Owner in their entirety and at any other time, upon request of Owner, be delivered to Owner within five (10) business days of such request. Manager shall maintain files of all original documents relating to reporting requirements under the Bank Loan, Grants, leases, vendors, and all other business of the Apartment Complex in an orderly fashion at the Apartment Complex, which files shall be the property of Owner and shall at all times be open to Owner's inspection and available for copying at Owner's request. Manager shall familiarize itself with all the reporting requirements under the Grants and assist Owner with such reporting requirements. All books of account and business records pertaining to the management and operation of the Apartment complex shall be open to inspection by Owner, HCHA, Lender, Harris County Community Services Department, and HUD, or their representatives, at all reasonable times for the purposes of audit, duplication or any other proper purpose. At the time that this Agreement is terminated, for whatever reason, Manager shall make, at Owner's sole cost and expense, a final accounting of all transactions theretofore completed. Any sums owing to the Manager, whether for reimbursement of expenses or on account of its fee hereunder, shall be paid to the Manager. Upon termination, all books and records, and all original leases and contracts relating to the Apartment Complex, which are in the Manager's possession, shall be immediately delivered to the Owner.
- (l) Operating Expenses. Manager shall use reasonable efforts to minimize operating expenses by obtaining competitive pricing on all services and shall obtain at least three quotes on expenditures of Three Thousand Dollars (\$3,000.00) to Fifty Thousand Dollars (\$50,000.00) and obtain public bids on expenditures exceeding

Fifty Thousand and One Dollars (\$50,001.00) (a “major expenditure”). Manager shall use reasonable efforts to comply with the limitations on expenditures set forth in the Budget. Manager shall obtain Owner’s prior written consent before incurring on behalf of Owner any single expenditure in excess of Three Thousand Dollars (\$3,000.00) excluding utility bills, budgeted items, and other normal and recurring expenses included in the Budget, except in an emergency, in which case Manager may incur such expenses as are reasonably necessary to protect life and property. Manager shall notify Owner of any such emergency expenses as soon as practicable after they are incurred but in no event later than three (3) days thereafter. Manager shall not request payment of any invoices, whether to itself or a third party, marked-up above cost nor shall Manager request payment of any compliance fees, marketing fees, mark-up on employees’ salary or travel or fees for personnel off-site. Under no circumstances, except in the case of emergency(s), shall the Manager incur any expenditure in excess of available cash flow after repayment of debt service without prior written consent of Owner.

- (m) Legal Proceedings and Compliance with Applicable Laws.
 - (i) Manager shall notify Owner and each insurance carrier whose policy may cover a related claim, in writing of the receipt of, or attempted service on Manager of, any demand, notice, or legal process, or the occurrence of any casualty loss, injury or damage on or about the Apartment Complex within one business day of such occurrence.
 - (ii) Manager acknowledges that it is not authorized to accept service of process or any other notice on behalf of Owner. Manager shall not make representations or provide information to any Person that is inconsistent with the foregoing. All legal notices delivered to the property shall immediately be delivered to the Owner.
 - (iii) Manager shall immediately provide copies to Owner of all notices and other written communications from Owner’s insurance carriers with respect to accepting coverage, appointing counsel or any other matter related to a claim against Owner.
 - (iv) Manager shall immediately provide notice to Owner of any oral or written communication relating to the Apartment Complex that Manager receives from a governmental or regulatory agency. Manager shall promptly provide Owner with a complete copy of any such written materials.
 - (v) Manager shall fully comply and cause its employees to fully comply with all applicable laws in connection with this Agreement and the performance of its obligations hereunder, including all federal, state, and local laws, ordinances, and regulations relative to the leasing, use, operation, repair and maintenance of the Apartment Complex and the operations of Manager, including without limitation, laws prohibiting discrimination in housing, employment laws

(including those related to unfair labor, practices), laws regarding tenant security deposits and laws regarding the storage, release, and disposal of hazardous materials, and toxic substances, including without limitation, asbestos, petroleum, and petroleum products.

(vi) Manager agrees that it shall not and shall not permit its employees to cause any hazardous materials or toxic substances to be stored, released, or disposed of on or in the Apartment Complex except as may be incidental to the operation of the Apartment Complex (e.g., cleaning supplies, fertilizers, paint, pool supplies, and chemicals) and then only in complete compliance with all applicable laws and regulations and in conformity with good property management. If (A) there is a violation of applicable laws regarding the storage, release, and disposal of such hazardous materials or toxic substances, or (B) Manager reasonably believes that the storage, release, or disposal of any hazardous material, petroleum product, or toxic substances, could cause liability to the Owner, including any releases caused by tenants, third parties or employees, on the Apartment Complex, Manager shall notify Owner immediately.

(n) Subject to the Regulatory Requirements and operation as seniors housing, the Manager agrees that the Apartment Complex shall be offered to all prospective tenants on a nondiscriminatory basis without regard to race, color, religion, sex, family status, handicap, or national origin in accordance with applicable law.

7. **Representations and Duties of Manager.** The Manager represents, warrants, covenants, and agrees that:

- (a) Manager has the authority to enter into and to perform this Agreement, to execute and deliver all documents relating to this Agreement, and to incur the obligations provided for in this Agreement.
- (b) When executed, this Agreement, together with all documents executed pursuant hereto, shall constitute the valid and legally binding obligations of Manager in accordance with their terms.
- (c) Manager has all necessary licenses, consents, and permissions to enter into this Agreement, manage the Apartment Complex, and otherwise comply with and perform Manager's obligations and duties hereunder. Manager shall comply with any conditions or requirements set out in any such licenses, consents, and permissions, and shall at all times operate and manage the Apartment Complex in accordance with such conditions and requirements.
- (d) During the term of this Agreement, Manager will be a valid corporation or LLC, duly organized under the laws of the State of its formation, and shall have full power and authority to manage the Apartment Complex, operate in the State of Texas, and otherwise comply with and perform Manager's obligations and duties under this

Agreement.

- (e) The Apartment Complex shall be managed in a manner to satisfy all restrictions, including tenant income and rent restrictions, applicable to the Grants.
- (f) Manager shall comply with any requirements under applicable environmental laws, regulations, and orders which affect the Apartment Complex.
- (g) Manager shall cause the Apartment Complex to be operated in a manner so that all requirements shall be met which are necessary to obtain or achieve (i) compliance with the Project Loan and Grants, including all applicable requirements set forth in the Regulatory Agreement (ii) issuance of all necessary permanent, unconditional certificates of occupancy, including all governmental approvals required to permit occupancy of all of the apartment units in the Apartment Complex.
- (h) Manager shall familiarize itself with the Grants and the Project Loan documents and comply with the requirements therein, including the requirements for the Reserve For Replacements and Operating Reserve. In connection therewith, the Manager shall utilize the Reserve for Replacements and Operating Reserve only subject to the approval of the Owner and Project Lender, in their sole discretion. Subject to the Project Loan requirements, Manager may use the Lease-Up Reserve to fund shortfalls in operating revenues but shall give Owner notice of any use thereof.
- (i) Manager shall not incur indebtedness on behalf of Owner without Owner's written consent.
- (j) Manager shall provide Owner the following within 30 days after the end of each month: (i) leasing report, (ii) certified rent roll, (iii) balance sheet, statement of income and expense and cash flow, (iv) copies of all Harris County Community Services Department reports (v) inventory of the Owner's equipment and personal property located at the Apartment Complex (vi) schedule of tenant security deposits being held by the Manager on behalf of the Owner and (vii) reports of existing vacancies and occupancy. On a semi-annual basis, Manager shall provide Owner tenant data as specified by Owner. In addition, Manager shall prepare and submit to the Owner at least sixty (60) days prior to the commencement of each fiscal year of the Owner, a leasing schedule showing proposed lease rates and concessions proposed to be granted at the Apartment Complex, including the formula for granting such concessions, and the projected net annual effect of leasing activity at the Apartment Complex for the upcoming fiscal year.
- (k) Manager shall prepare and submit to the Owner within thirty (30) days after each calendar month a statement of the operations of the Apartment Complex and shall make supporting data available upon request of the Owner. In addition, the Manager shall prepare and submit to the Owner within thirty (30) days after the end of each month a monthly operating statement, a balance sheet, a statement of income, a statement of cash receipts and disbursements for the month, then ended, a

comparison of expenditures projected in an approved budget for the month then ended, and the actual expenditures for such month, and any other reports required by HUD, HCHA, Owner's lenders or Harris County. The Manager shall also prepare and submit to the Owner within ninety (90) days after the end of each fiscal year of the Owner an annual operating statement, a balance sheet (as of the end of the fiscal year), a statement of cash receipts and disbursements for the fiscal year then ended, and a statement of changes in financial position and a statement of sources and application of funds during such fiscal year, such statements to be prepared in accordance with generally accepted accounting principles and audited and reported upon by an independent certified public accountant approved by the Owner. Manager shall also prepare and submit to the Owner within a reasonable time after the Owner shall have requested such other reports and financial statements as the Owner shall from time to time reasonably request.

- (l) Manager shall respond to inquiries from Owner, HCHA, Project Lender, the Harris County Community Services Department, and HUD on a timely basis. Representatives of Owner, HCHA, Project Lender, the Harris County Community Services Department, and HUD shall be entitled to visit and inspect the Apartment Complex and the books and records of Manager with respect to revenues, expenses, tenants, and operations of the Apartment Complex.
- (m) Manager shall not acquire any real property or interest therein on behalf of the Owner.
- (n) Manager shall not sell or otherwise transfer or mortgage the Apartment Complex or any part thereof, except the sale of worn-out or obsolete personal property or other personal property no longer useful in the operation of the Apartment Complex.
- (o) Manager and Owner shall meet periodically to discuss and review the management activities to be conducted by the Manager hereunder.

8. Representations of Owner. The Owner represents and warrants that:

- (a) the Owner has the authority to enter into and to perform this Agreement, to execute and deliver all documents relating to this Agreement, and to incur the obligations provided for in this Agreement; and
- (b) when executed, this Agreement, together with all documents executed pursuant hereto, shall constitute the valid and legally binding obligations of the Owner in accordance with their terms.

9. Indemnification.

Indemnification of Owner. Manager hereby indemnifies and holds harmless Owner, Owner's affiliates, and each of their respective officers, managers, directors, partners, shareholders, employees, attorneys, and agents from and against any and

all loss, cost, damage, liability, and expense, including reasonable attorneys' fees and expenses, incurred as a result of Manager's or any of Manager's affiliates', or any of Manager's or any of Manager's affiliates, shareholder's, partner's, employee's, subcontractor's or agent's gross negligence, willful misconduct, fraud, actions outside the scope of the authority granted hereunder, or any other breach of this Agreement. So long as Manager has maintained the required insurance coverages described herein, Manager's indemnity shall be limited to Manager's insurance coverages, except in the case of fraud, gross negligence, willful misconduct, or breach of this Agreement.

(b) Indemnification of Manager by Owner. Owner shall and hereby does indemnify and hold Manager harmless against any and all claims, actions, demands, damages, losses, costs, and expenses (including reasonable attorneys' fees) as a result of any claim or legal proceeding related to the performance or non-performance of any act concerning the activities of Manager hereunder as long as Manager has not acted fraudulently, or in breach of this Agreement causing material harm to Owner, or with gross negligence or with willful misconduct. Notwithstanding the foregoing, Owner's liability for indemnification arising from Manager's breach of this Agreement shall be limited to the proceeds received from the insurance policies carried in connection with this Project. Manager shall be held harmless for the failure to pay any liabilities of the Project if necessary funds for such are not made available to Manager by Owner upon request therefor from Manager. Further, Manager shall have no liability to Owner with regard to Manager's activities hereunder except liability directly caused by Manager's violation of the Agreement, any Applicable Law, willful misconduct, fraud or gross negligence.

(c) Survival. The provisions of this Section 9 shall survive the termination of this Agreement.

10. Defaults.

- (a) Manager's Event of Default. Manager shall be deemed to be in default hereunder upon the happening of any of the following ("Manager's Event of Default"):
- (i) The failure by Manager to keep, observe or perform any covenant, agreement, term, or provision of this Agreement and the continuation of such failure, in full or in part, for (30) days after written notice thereof by Owner to Manager;
 - (ii) The request by Manager for payment of any invoice, whether to itself or a third party, marked-up above cost as prohibited herein;
 - (iii) The making of a general assignment by Manager for benefit of its creditors, the filing by Manager with any bankruptcy court of competent jurisdiction of a voluntary petition under Title 11 of U.S. Code, as amended from time to time, the filing by Manager of any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation,

dissolution, or similar relief under any present or future federal or state act or law relating to bankruptcy, insolvency, or other relief for debtors, Manager is the subject of any order for relief issued under such Title II of the U.S. Code, as amended from time to time, or the dissolution or liquidation of Manager; or

- (iv) The misapplication, misappropriation, or commingling of funds held by Manager for the benefit of Owner, including the payment of fees to Affiliates of the Manager or the loaning of funds to Affiliates.
- (b) Remedies of Owner. Upon a Manager's Event of Default, Owner shall be entitled to (i) terminate in writing this Agreement effective as of the date designated by Owner (which may be the date upon which notice is given), and/or (ii) pursue any remedy at law or in equity, including without limitation, an action for compensatory damages or specific performance. All of Owner's rights and remedies shall be cumulative.
- (c) Owner's Event of Default. Owner shall be deemed to be in default hereunder (an "Owner's Event of Default") if Owner shall fail to keep, observe or perform any covenant, agreement, term, or provision of this Agreement to be kept, observed, or performed by Owner, and such default shall continue for a period of thirty (30) days after written notice thereof by Manager to Owner, or if such default cannot be cured within such thirty (30) day period, then such additional period as shall be reasonable, provided Owner commences to cure such default within such thirty (30) day period and proceeds diligently to prosecute such cure to completion.
- (d) Remedies of Manager. Upon an Owner's Event of Default, Manager shall be entitled to (i) terminate in writing this Agreement effective as of the date designated by Owner, which is at least 10 days after receipt of such notice of termination by Owner provided the Event of Default has not then been cured, or such cure commenced, and/or (ii) pursue an action for actual damages incurred by Manager (which action must take into consideration Owner's termination rights under Section 11 of this Agreement). Manager expressly agrees that, as set forth in the Paragraph, termination and monetary damages are its sole rights and remedies with respect to an Owner's Event of Default. Manager expressly waives and releases the right to seek equitable relief, including specific performance or injunctive relief, and to sue for any consequential or punitive damages.

11. Termination Rights.

- (a) Expiration of Term. If not sooner terminated, this Agreement shall terminate on the expiration of its term set forth in Section 3 of this Agreement.
- (b) Termination By Owner. Upon Manager's Event of Default. Upon a Manager's Event of Default, Owner may terminate this Agreement as specified in Section 10 (b) of this Agreement.

- (c) Termination By Manager. Upon Owner's Event of Default. Upon an Owner's Event of Default, Manager may terminate this Agreement as specified in Section 10 (d) of this Agreement.
- (d) Termination By Owner Without Cause. Even in the absence of any other express right to terminate this Agreement, Owner may terminate this Agreement upon written notice at any time upon thirty (30) days prior notice from the Owner.
- (e) Termination Upon Sale of the Apartment Complex. If the Apartment Complex is sold, conveyed, or transferred during the term hereof, this Agreement shall terminate at Owner's option.
- (f) Effect of Termination Upon Payment of Fees. Upon the termination of this Agreement for any reason, Manager shall be entitled to its earned but unpaid fees for the period prior to the termination. Manager shall not be entitled to any fees relating to the period after the date of termination of this Agreement. Owner may offset any damages against earned but unpaid fees.
- (g) Delivery of Apartment Complex Upon Termination. Immediately after termination of this Agreement for any reason, Manager shall deliver to or as directed by Owner all funds, checks, keys, lease files, computer files, computers, books and records, and other Confidential Information (as defined below) to Owner. Immediately after termination, Manager shall leave the Apartment Complex and cause its employees to leave the Apartment Complex without causing any damage thereto. Under no circumstances shall any default by Owner give rise to any lien on the Apartment Complex or give rise to a right of Manager to stay on the Apartment Complex after the date of termination. Termination of this Agreement under any of the provisions of this Agreement shall not release either party as against the other from liability for failure to perform any of its duties or obligations as expressed herein and required to be performed prior to such termination. Manager agrees to cooperate with Owner in the obligations set forth in this Section 2 (g).

12. Confidentiality.

- (a) Preservation of Confidentiality. In connection with the performance of obligations hereunder, Manager acknowledges that it will have access to Confidential Information. Manager shall treat such Confidential Information as proprietary to Owner and private, and shall preserve the confidentiality thereof and not disclose, or cause or permit its employees, agents or contractors to disclose, such Confidential Information. Notwithstanding the foregoing, Manager shall have the right to disclose Confidential Information if and only to the extent it is required by court order to disclose any Confidential Information. If Manager or anyone to whom Manager transmits Confidential Information pursuant to this Agreement becomes legally compelled to disclose any of the Confidential Information, Manager shall provide Owner with prompt notice thereof so that Owner may seek a protective order or other appropriate remedy or waive compliance with the provisions of this Agreement. In

the event that such protective order or other remedy is not obtained by Owner or Owner waives compliance with the provisions of this Agreement, Manager shall furnish or cause to be furnished only that portion of the Confidential Information which Manager is required by contract to furnish, and will exercise commercially reasonable efforts to obtain reliable assurances that confidential treatment is accorded the Confidential Information so furnished.

- (b) Property Right in Confidential Information. All Confidential Information shall remain the property of Owner, and Manager shall have no ownership interest therein.

13. Survival of Agreement. All indemnity obligations set forth herein, all obligations to pay earned and accrued fees and expenses, all confidentiality obligations, and all obligations to perform and duties accrued prior to the date of termination shall survive the termination of this Agreement.

14. Enforcement of Agreement. This Agreement, its interpretation, performance and enforcement, and the rights and remedies of the parties hereto, shall be governed and construed by and in accordance with the laws of the State of Texas. In any dispute pertaining to, or litigation or arbitration arising from the enforcement or interpretation of the provisions of this Agreement, the prevailing party shall be entitled to recover its attorneys fees and costs, including those incurred in connection with all appellate levels, bankruptcy, mediation or otherwise to maintain such action, from the losing party. Venue shall rest solely in the State and Federal Courts of Harris County, Texas.

15. Assignment. Manager shall not directly or indirectly (except with the consent of Owner) sell, assign or otherwise transfer by operation of law or otherwise all or any part of the legal or beneficial interests in the Manager or all or any part of its rights or obligations under this Agreement. Subject to Section 11(e) of this Agreement, Owner may assign this Agreement to a successor owner of the Apartment Complex. A change in the members of Owner shall not constitute an assignment. If Owner assigns this Agreement to a successor owner of the Apartment Complex, such assignment shall constitute a novation, releasing Owner of all rights and obligations hereunder.

16. Notices. All notices, demands, requests, or other communications to be sent by one party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the addressee or by depositing same with a nationally recognized overnight delivery service such as Federal Express for next business day delivery ("Overnight Delivery") or by depositing same in the United States mail, postage prepaid, registered or certified mail, return receipt requested, or by sending by facsimile transmission, addressed as follows:

If to Owner: HCHA Baybrook Park, LLC
c/o Harris County Housing Authority
1933 Hussion St., Bldg. #3
Houston, Texas 77054

Attention: Executive Director

If to Manager: _____

Attention: _____

All notices shall be effective upon such personal delivery, upon delivery by Overnight Delivery, five (5) business days after deposit in the United States mail, or on the next business day after confirmed facsimile transmission. By giving to the other parties hereto at least 15 days' written notice in accordance with the provisions hereof, a party may change its address for notice purposes.

17. Miscellaneous.

- (a) On-Site Management Facilities. Manager shall staff a management office in the Apartment Complex, and Owner shall provide space for such office at no rental charge to Manager.
- (b) Counterparts. This Agreement may be executed concurrently in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
- (c) Third-Party Beneficiary. There are no third-party beneficiaries under the terms of this Agreement.
- (d) Captions. The captions of this Agreement are inserted only for the purpose of convenient reference and do not define, limit or prescribe the scope or intent of this Agreement or any part hereof.
- (e) Amendments. This Agreement cannot be amended or modified except by another agreement in writing, signed by the parties to this Agreement.
- (f) Entire Agreement. This Agreement embodies the entire understanding of the parties, and there are no further agreements or understandings, written or oral, in effect between the parties relating to the subject matter hereof.
- (g) Time is of Essence. Time is the essence hereof.
- (h) Construction of Document. This Agreement has been negotiated at arms' length and has been reviewed by counsel for the parties. No provision of this Agreement shall be construed against any party based upon the identity of the drafter.
- (i) Severability. If any provision of this Agreement or the application thereof is held to be invalid or unenforceable, such defect shall not affect other provisions or applications of this Agreement that can be given effect without the invalid or unenforceable provisions or applications, and to this end, the provisions and applications of this Agreement shall be severable.
- (j) No Continuing Waiver. No waiver by a party hereto of any breach of this Agreement

shall be effective unless in writing executed by such party. No waiver shall operate or be construed to be a waiver of any subsequent breach.

IN WITNESS WHEREOF, the parties have executed this Management Agreement as of the date first set forth above.

OWNER:

HCHA Baybrook Park, LLC

By: _____
Horace Allison, Manager

MANAGER:

By: _____,

Exhibit A

Rents Restrictions

Income	# of units by AMI	1br/1bath 650 sq.ft.	2br/2bath 972 sq.ft.	Total
30%	9	6	3	9
50%	20	14	6	20
60%	51	35	16	51
Mrkt	20	13	7	20
	100	68	32	100

Note: distribution of rent restrictions subject to change

Exhibit B

Performance Standards

Tenant Account Receivables ("TAR"). Receivables to be included in the TAR performance measure means the monthly amount (excluding pending HAP payments) that a resident is obligated to pay Owner pursuant to the terms of a lease, other than non-housing charges. Owner's monthly standard for TARs is a maximum of four percent (4%). The TAR goal will be measured prior to any tenant monetary adjustment and/or quarterly write-offs.

Vacancy. A vacancy is defined as an occupied unit which becomes unoccupied during any part of the month and remains unoccupied at the end of the month. Owner's quarterly vacancy rate standard is a maximum of three percent (3%).

Vacancy Turnaround. Owner's standard for vacancy turnaround time is 25 days. This includes make-ready and lease-up time. The monthly report must include the following for each vacated unit:

- (i) The date the unit was vacated
- (ii) The name of the former resident who vacated
- (iii) The unit number of the vacated unit
- (iv) The size of the vacated unit
- (v) Reason tenant vacated unit
- (vi) The date maintenance began to "make ready" the unit
- (vii) The date maintenance completed all "make ready" repairs
- (viii) The date the unit was re-leased

Work Orders

Emergency. Emergency work orders are those that address an immediate threat to life, health, or safety to property or the resident or related to fire safety. Owner's standard for completion of an emergency work order is for all emergency work orders to be completed or abated within 24 hours.

Non-Emergency. Non-emergency work orders are those that address conditions that do not pose an immediate threat to life, health, or safety to property or the resident or are not related to fire safety. Owner's standard for the completion of non-emergency work orders is within 4 days.

Exhibit C

Inspection Standards

Inspections. Owner's standard for inspections is for all units to be inspected at least twice per year and for all bi-annual inspections (utilizing Housing Quality Standards (HQS) of HUD) to be conducted on or before June 30th and December 31st of each year. Accordingly, Manager must conduct a sufficient number of inspections each month beginning January 1st in order to complete round one inspection of all units before June 30th, and between July 1st and December 31st must conduct a sufficient number of inspections each month in order to complete round two inspection of all units before December 31st. Further, all units must be inspected within 6 months of the previous inspection. All HQS inspections include the site, building exteriors, common areas, units, and systems. Manager shall submit to Owner no later than January 31st and July 1st a proposed bi-annual inspection schedule designed to meet the foregoing criteria.

The monthly report should include inspection work orders that track the following information:

- The time and date that the unit, building, and system (including common areas and non-dwelling space) were inspected
- Who conducted the inspection
- Whether the unit, building, and/or system inspected passed or failed
- Reinspections for all failed inspections
- Whether a work order was generated with the work order number and date
- If a work order was generated, the date the work order was completed

Housekeeping Inspections. Housekeeping inspections will be conducted initially within sixty (60) days after the move-in of each resident. Thereafter, Housekeeping inspections will be scheduled annually at lease renewal or recertification.

Attachment C

M/WBE PARTICIPATION

M/WBE PARTICIPATION: The Contractor agrees to make its best efforts to subcontract with minority business enterprises and/or women business enterprises (herein called M/WBE) certified as such or recognized by HCHA as a certified M/WBE. Contractor shall make its best efforts to subcontract a sufficient dollar amount with M/WBEs to ensure that a minimum of 30 percent of the final contract dollars are expended on one or more M/WBEs. All adjustments that cause the contract price to increase will also increase the total amount that Contractor must make its best efforts to expend on M/WBEs.

USING BEST EFFORTS TO FULFILL M/WBE REQUIREMENT: In the event HCHA has a reasonable belief that Contractor will not use his/her/its best efforts to meet the 30 percent M/WBE participation goal, HCHA reserves the right to pull work from the contract. Best efforts may be established by showing that Contractor has contacted and solicited bids/quotes from subcontractors and worked with the HCHA to seek assistance in identifying M/WBEs.

FAILURE TO USE YOUR BEST EFFORTS TO COMPLY MAY CONSTITUTE BREACH OF CONTRACT AND SUBJECT THE CONTRACT TO TERMINATION.

NOTIFICATION OF M/WBE PARTICIPATION: Contractor agrees to promptly complete and return all M/WBE Confirmation of Participation and M/WBE Confirmation of Payment forms utilized by HCHA to confirm M/WBE subcontractor by submitting copies of checks made payable to the respective M/WBE subcontractor signed by the Contractor.

CONTRACTOR

DATE

BIDDER'S PROPOSED M/WBE PARTICIPATION FORM

Bidder proposes to work with the following MBE/WBE participants:

[illegible]

**SAMPLE FORMAT FOR RECORDKEEPING
ESTIMATED PROJECT WORKFORCE BREAKDOWN**

M/WBE PARTICPATION

JOB CATEGORY	TOTAL ESTIMATED POSTIONS NEEDED FOR PROJECT	NO. POSITIONS OCCUPIED BY PERMANENT EMPLOYEES	NUMBER OF POSITIONS NOT OCCUPIED	NUMBER OF POSITIONS TO BE FILLED WITH M/WBE
OFFICER/SUPERVISOR				
PROFESSIONAL				
TECHNICAL				
OFFICE/CLERICAL				
SERVICE WORKERS				
TRAINEES				
CONTRACTS:				
OTHERS				

Attachment D

NON-COLLUSIVE AFFIDAVIT

STATE OF TEXAS

COUNTY OF HARRIS

_____, being first duly sworn, deposes and says that he/she is

(the owner of bidder, a partner of bidder, an officer or manager of bidder, etc.)

of the party making the foregoing proposal or bid, that such proposal or bid is genuine and not collusive or sham; that said bidder has not colluded, conspired, connived or agreed, directly or indirectly, with any manner, directly or indirectly, sought by agreement or collusion, or communication or conference with any person to fix the bid price of affiant or of any other bidder, or to fix any overhead, profit, or cost element of said bid price, or of that of any other bidder, or to secure any advantage against

THE HARRIS COUNTY HOUSING AUTHORITY

or of any person interested in the proposed Contract; and that all statements in said proposal or bid are true.

Signature of Bidder, if Bidder is an Individual

Signature of Bidder, if Bidder is a Partnership

Signature of Officer or Manager, if Bidder is a Corporation or Limited Liability Company

Subscribed and sworn to before me this ____ day of _____, 20____

Notary Public

Attachment E

**U.S. Department of Housing
and Urban Development**
Office of Public and Indian Housing

**Representations, Certifications,
and Other Statements of Bidders**
Public and Indian Housing Programs

Representations, Certifications, and Other Statements of Bidders

Public and Indian Housing Programs

Table of Contents

Clause	Page
1. Certificate of Independent Price Determination	1
2. Contingent Fee Representation and Agreement	1
3. Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions	1
4. Organizational Conflicts of Interest Certification	2
5. Bidder's Certification of Eligibility	2
6. Minimum Bid Acceptance Period	2
7. Small, Minority, Women-Owned Business Concern Representation	2
8. Indian-Owned Economic Enterprise and Indian Organization Representation	2
9. Certification of Eligibility Under the Davis-Bacon Act	3
10. Certification of Nonsegregated Facilities	3
11. Clean Air and Water Certification	3
12. Previous Participation Certificate	3
13. Bidder's Signature	3

1. Certificate of Independent Price Determination

(a) The bidder certifies that--

(1) The prices in this bid have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other bidder or competitor relating to (i) those prices, (ii) the intention to submit a bid, or (iii) the methods or factors used to calculate the prices offered;

(2) The prices in this bid have not been and will not be knowingly disclosed by the bidder, directly or indirectly, to any other bidder or competitor before bid opening (in the case of a sealed bid solicitation) or contract award (in the case of a competitive proposal solicitation) unless otherwise required by law; and

(3) No attempt has been made or will be made by the bidder to induce any other concern to submit or not to submit a bid for the purpose of restricting competition.

(b) Each signature on the bid is considered to be a certification by the signatory that the signatory--

(1) Is the person in the bidder's organization responsible for determining the prices being offered in this bid or proposal, and that the signatory has not participated and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above; or

(2) (i) Has been authorized, in writing, to act as agent for the following principals in certifying that those principals have not participated, and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above.

[insert full name of person(s) in the bidder's organization responsible for determining the prices offered in this bid or proposal, and the title of his or her position in the bidder's organization];

(ii) As an authorized agent, does certify that the principals named in subdivision (b)(2)(i) above have not participated, and will not participate, in any action contrary to subparagraphs (a)(1) through (a)(3) above; and

(iii) As an agent, has not personally participated, and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above.

(c) If the bidder deletes or modifies subparagraph (a)2 above, the bidder must furnish with its bid a signed statement setting forth in detail the circumstances of the disclosure.

[] [Contracting Officer check if following paragraph is applicable]

(d) Non-collusive affidavit. (applicable to contracts for construction and equipment exceeding \$50,000)

(1) Each bidder shall execute, in the form provided by the PHA/IHA, an affidavit to the effect that he/she has not colluded with any other person, firm or corporation in regard to any bid submitted in response to this solicitation. If the successful bidder did not submit the affidavit with his/her bid, he/she must submit it within three (3) working days of bid opening. Failure to submit the affidavit by that date may render the bid nonresponsive. No contract award will be made without a properly executed affidavit.

(2) A fully executed "Non-collusive Affidavit" [] is, [] is not included with the bid.

2. Contingent Fee Representation and Agreement

(a) Definitions. As used in this provision:

"Bona fide employee" means a person, employed by a bidder and subject to the bidder's supervision and control as to time, place, and manner of performance, who neither exerts, nor proposes to exert improper influence to solicit or obtain contracts nor holds out as being able to obtain any contract(s) through improper influence.

"Improper influence" means any influence that induces or tends to induce a PHA/IHA employee or officer to give consideration or to act regarding a PHA/IHA contract on any basis other than the merits of the matter.

(b) The bidder represents and certifies as part of its bid that, except for full-time bona fide employees working solely for the bidder, the bidder:

(1) [] has, [] has not employed or retained any person or company to solicit or obtain this contract; and

(2) [] has, [] has not paid or agreed to pay to any person or company employed or retained to solicit or obtain this contract any commission, percentage, brokerage, or other fee contingent upon or resulting from the award of this contract.

(c) If the answer to either (a)(1) or (a)(2) above is affirmative, the bidder shall make an immediate and full written disclosure to the PHA/IHA Contracting Officer.

(d) Any misrepresentation by the bidder shall give the PHA/IHA the right to (1) terminate the contract; (2) at its discretion, deduct from contract payments the amount of any commission, percentage, brokerage, or other contingent fee; or (3) take other remedy pursuant to the contract.

3. Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions (applicable to contracts exceeding \$100,000)

(a) The definitions and prohibitions contained in Section 1352 of title 31, United States Code, are hereby incorporated by reference in paragraph (b) of this certification.

(b) The bidder, by signing its bid, hereby certifies to the best of his or her knowledge and belief as of December 23, 1989 that:

(1) No Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on his or her behalf in connection with the awarding of a contract resulting from this solicitation;

(2) If any funds other than Federal appropriated funds (including profit or fee received under a covered Federal transaction) have been paid, or will be paid, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on his or her behalf in connection with this solicitation, the bidder shall complete and submit, with its bid, OMB standard form LLL, "Disclosure of Lobbying Activities;" and

(3) He or she will include the language of this certification in all subcontracts at any tier and require that all recipients of subcontract awards in excess of \$100,000 shall certify and disclose accordingly.

(c) Submission of this certification and disclosure is a prerequisite for making or entering into this contract imposed by section 1352, title 31, United States Code. Any person who makes an expenditure prohibited under this provision or who fails to file or amend the disclosure form to be filed or amended by this provision, shall be subject to a civil penalty of not less than \$10,000, and not more than \$100,000, for each such failure.

(d) Indian tribes (except those chartered by States) and Indian organizations as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450B) are exempt from the requirements of this provision.

4. Organizational Conflicts of Interest Certification

The bidder certifies that to the best of its knowledge and belief and except as otherwise disclosed, he or she does not have any organizational conflict of interest which is defined as a situation in which the nature of work to be performed under this proposed contract and the bidder's organizational, financial, contractual, or other interests may, without some restriction on future activities:

- (a) Result in an unfair competitive advantage to the bidder; or,
(b) Impair the bidder's objectivity in performing the contract work.
[] In the absence of any actual or apparent conflict, I hereby certify that to the best of my knowledge and belief, no actual or apparent conflict of interest exists with regard to my possible performance of this procurement.

5. Bidder's Certification of Eligibility

(a) By the submission of this bid, the bidder certifies that to the best of its knowledge and belief, neither it, nor any person or firm which has an interest in the bidder's firm, nor any of the bidder's subcontractors, is ineligible to:

(1) Be awarded contracts by any agency of the United States Government, HUD, or the State in which this contract is to be performed; or,

(2) Participate in HUD programs pursuant to 24 CFR Part 24.

(b) The certification in paragraph (a) above is a material representation of fact upon which reliance was placed when making award. If it is later determined that the bidder knowingly rendered an erroneous certification, the contract may be terminated for default, and the bidder may be debarred or suspended from participation in HUD programs and other Federal contract programs.

6. Minimum Bid Acceptance Period

(a) "Acceptance period," as used in this provision, means the number of calendar days available to the PHA/IHA for awarding a contract from the date specified in this solicitation for receipt of bids.

(b) This provision supersedes any language pertaining to the acceptance period that may appear elsewhere in this solicitation.

(c) The PHA/IHA requires a minimum acceptance period of [Contracting Officer insert time period] calendar days.

(d) In the space provided immediately below, bidders may specify a longer acceptance period than the PHA's/IHA's minimum requirement. The bidder allows the following acceptance period: calendar days.

(e) A bid allowing less than the PHA's/IHA's minimum acceptance period will be rejected.

(f) The bidder agrees to execute all that it has undertaken to do, in compliance with its bid, if that bid is accepted in writing within (1) the acceptance period stated in paragraph (c) above or (2) any longer acceptance period stated in paragraph (d) above.

7. Small, Minority, Women-Owned Business Concern Representation

The bidder represents and certifies as part of its bid/ offer that it --

(a) [] is, [] is not a small business concern. "Small business concern," as used in this provision, means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding, and qualified as a small business under the criteria and size standards in 13 CFR 121.

(b) [] is, [] is not a women-owned business enterprise. "Women-owned business enterprise," as used in this provision, means a business that is at least 51 percent owned by a woman or women who are U.S. citizens and who also control and operate the business.

(c) [] is, [] is not a minority business enterprise. "Minority business enterprise," as used in this provision, means a business which is at least 51 percent owned or controlled by one or more minority group members or, in the case of a publicly owned business, at least 51 percent of its voting stock is owned by one or more minority group members, and whose management and daily operations are controlled by one or more such individuals. For the purpose of this definition, minority group members are:

(Check the block applicable to you)

- | | |
|------------------------|------------------------------|
| [] Black Americans | [] Asian Pacific Americans |
| [] Hispanic Americans | [] Asian Indian Americans |
| [] Native Americans | [] Hasidic Jewish Americans |

8. Indian-Owned Economic Enterprise and Indian Organization Representation (applicable only if this solicitation is for a contract to be performed on a project for an Indian Housing Authority)

The bidder represents and certifies that it:

(a) [] is, [] is not an Indian-owned economic enterprise. "Economic enterprise," as used in this provision, means any commercial, industrial, or business activity established or organized for the purpose of profit, which is at least 51 percent Indian owned. "Indian," as used in this provision, means any person who is a member of any tribe, band, group, pueblo, or community which is recognized by the Federal Government as eligible for services from the Bureau of Indian Affairs and any "Native" as defined in the Alaska Native Claims Settlement Act.

(b) [] is, [] is not an Indian organization. "Indian organization," as used in this provision, means the governing body of any Indian tribe or entity established or recognized by such governing body. Indian "tribe" means any Indian tribe, band, group, pueblo, or

community including Native villages and Native groups (including corporations organized by Kenai, Juneau, Sitka, and Kodiak) as defined in the Alaska Native Claims Settlement Act, which is recognized by the Federal Government as eligible for services from the Bureau of Indian Affairs.

9. Certification of Eligibility Under the Davis-Bacon Act (applicable to construction contracts exceeding \$2,000)

(a) By the submission of this bid, the bidder certifies that neither it nor any person or firm who has an interest in the bidder's firm is a person or firm ineligible to be awarded contracts by the United States Government by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(b) No part of the contract resulting from this solicitation shall be subcontracted to any person or firm ineligible to be awarded contracts by the United States Government by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(c) The penalty for making false statements is prescribed in the U. S. Criminal Code, 18 U.S.C. 1001.

10. Certification of Nonsegregated Facilities (applicable to contracts exceeding \$10,000)

(a) The bidder's attention is called to the clause entitled **Equal Employment Opportunity** of the General Conditions of the Contract for Construction.

(b) "Segregated facilities," as used in this provision, means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees, that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, or national origin because of habit, local custom, or otherwise.

(c) By the submission of this bid, the bidder certifies that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform their services at any location under its control where segregated facilities are maintained. The bidder agrees that a breach of this certification is a violation of the Equal Employment Opportunity clause in the contract.

(d) The bidder further agrees that (except where it has obtained identical certifications from proposed subcontractors for specific time periods) prior to entering into subcontracts which exceed \$10,000 and are not exempt from the requirements of the Equal Employment Opportunity clause, it will:

(1) Obtain identical certifications from the proposed subcontractors;

(2) Retain the certifications in its files; and

(3) Forward the following notice to the proposed subcontractors (except if the proposed subcontractors have submitted identical certifications for specific time periods):

Notice to Prospective Subcontractors of Requirement for Certifications of Nonsegregated Facilities

A Certification of Nonsegregated Facilities must be submitted before the award of a subcontract exceeding \$10,000 which is not exempt from the provisions of the Equal Employment Opportunity clause of the prime contract. The certification may be submitted either for each subcontract or for all subcontracts during a period (i.e., quarterly, semiannually, or annually).

Note: The penalty for making false statements in bids is prescribed in 18 U.S.C. 1001.

11. Clean Air and Water Certification (applicable to contracts exceeding \$100,000)

The bidder certifies that:

(a) Any facility to be used in the performance of this contract [] is, [] is not listed on the Environmental Protection Agency List of Violating Facilities:

(b) The bidder will immediately notify the PHA/IHA Contracting Officer, before award, of the receipt of any communication from the Administrator, or a designee, of the Environmental Protection Agency, indicating that any facility that the bidder proposes to use for the performance of the contract is under consideration to be listed on the EPA List of Violating Facilities; and,

(c) The bidder will include a certification substantially the same as this certification, including this paragraph (c), in every nonexempt subcontract.

12. Previous Participation Certificate (applicable to construction and equipment contracts exceeding \$50,000)

(a) The bidder shall complete and submit with his/her bid the Form HUD-2530, "Previous Participation Certificate." If the successful bidder does not submit the certificate with his/her bid, he/she must submit it within three (3) working days of bid opening. Failure to submit the certificate by that date may render the bid nonresponsive. No contract award will be made without a properly executed certificate.

(b) A fully executed "Previous Participation Certificate" [] is, [] is not included with the bid.

13. Bidder's Signature

The bidder hereby certifies that the information contained in these certifications and representations is accurate, complete, and current.

(Signature and Date)

(Typed or Printed Name)

(Title)

(Company Name)

(Company Address)

Attachment F

Instructions to Offerors Non-Construction

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing



- 03291 -

1. Preparation of Offers

(a) Offerors are expected to examine the statement of work, the proposed contract terms and conditions, and all instructions. Failure to do so will be at the offeror's risk.

(b) Each offeror shall furnish the information required by the solicitation. The offeror shall sign the offer and print or type its name on the cover sheet and each continuation sheet on which it makes an entry. Erasures or other changes must be initialed by the person signing the offer. Offers signed by an agent shall be accompanied by evidence of that agent's authority, unless that evidence has been previously furnished to the HA.

(c) Offers for services other than those specified will not be considered.

2. Submission of Offers

(a) Offers and modifications thereof shall be submitted in sealed envelopes or packages (1) addressed to the office specified in the solicitation, and (2) showing the time specified for receipt, the solicitation number, and the name and address of the offeror.

(b) Telegraphic offers will not be considered unless authorized by the solicitation; however, offers may be modified by written or telegraphic notice.

(c) Facsimile offers, modifications or withdrawals will not be considered unless authorized by the solicitation.

3. Amendments to Solicitations

(a) If this solicitation is amended, then all terms and conditions which are not modified remain unchanged.

(b) Offerors shall acknowledge receipt of any amendments to this solicitation by

- (1) signing and returning the amendment;
- (2) identifying the amendment number and date in the space provided for this purpose on the form for submitting an offer,
- (3) letter or telegram, or
- (4) facsimile, if facsimile offers are authorized in the solicitation. The HA/HUD must receive the acknowledgment by the time specified for receipt of offers.

4. Explanation to Prospective Offerors

Any prospective offeror desiring an explanation or interpretation of the solicitation, statement of work, etc., must request it in writing soon enough to allow a reply to reach all prospective offerors before the submission of their offers. Oral explanations or instructions given before the award of the contract will not be binding. Any information given to a prospective offeror concerning a solicitation will be furnished promptly to all other prospective offerors as an amendment of the solicitation, if that information is necessary in submitting offers or if the lack of it would be prejudicial to any other prospective offerors.

5. Responsibility of Prospective Contractor

(a) The HA shall award a contract only to a responsible prospective contractor who is able to perform successfully under the terms and conditions of the proposed contract. To be determined responsible, a prospective contractor must -

- (1) Have adequate financial resources to perform the contract, or the ability to obtain them;

- (2) Have a satisfactory performance record;
- (3) Have a satisfactory record of integrity and business ethics;
- (4) Have a satisfactory record of compliance with public policy (e.g., Equal Employment Opportunity); and
- (5) Not have been suspended, debarred, or otherwise determined to be ineligible for award of contracts by the Department of Housing and Urban Development or any other agency of the U.S. Government. Current lists of ineligible contractors are available for inspection at the HA/HUD.

(b) Before an offer is considered for award, the offeror may be requested by the HA to submit a statement or other documentation regarding any of the foregoing requirements. Failure by the offeror to provide such additional information may render the offeror ineligible for award.

6. Late Submissions, Modifications, and Withdrawal of Offers

(a) Any offer received at the place designated in the solicitation after the exact time specified for receipt will not be considered unless it is received before award is made and it -

- (1) Was sent by registered or certified mail not later than the fifth calendar day before the date specified for receipt of offers (e.g., an offer submitted in response to a solicitation requiring receipt of offers by the 20th of the month must have been mailed by the 15th);
- (2) Was sent by mail, or if authorized by the solicitation, was sent by telegram or via facsimile, and it is determined by the HA/ HUD that the late receipt was due solely to mishandling by the HA/ HUD after receipt at the HA;
- (3) Was sent by U.S. Postal Service Express Mail Next Day Service - Post Office to Addressee, not later than 5:00 p.m. at the place of mailing two working days prior to the date specified for receipt of proposals. The term "working days" excludes weekends and U.S. Federal holidays; or
- (4) Is the only offer received.

(b) Any modification of an offer, except a modification resulting from the HA's request for "best and final" offer (if this solicitation is a request for proposals), is subject to the same conditions as in subparagraphs (a)(1), (2), and (3) of this provision.

(c) A modification resulting from the HA's request for "best and final" offer received after the time and date specified in the request will not be considered unless received before award and the late receipt is due solely to mishandling by the HA after receipt at the HA.

(d) The only acceptable evidence to establish the date of mailing of a late offer, modification, or withdrawal sent either by registered or certified mail is the U.S. or Canadian Postal Service postmark both on the envelope or wrapper and on the original receipt from the U.S. or Canadian Postal Service. Both postmarks must show a legible date or the offer, modification, or withdrawal shall be processed as if mailed late. "Postmark" means a printed, stamped, or otherwise placed impression (exclusive of a postage meter machine impression) that is readily identifiable without further action as having been supplied and affixed by employees of the U.S. or Canadian Postal Service on the date of mailing. Therefore, offerors should request the postal clerk to place a hand cancellation bull's-eye postmark on both the receipt and the envelope or wrapper.

(e) The only acceptable evidence to establish the time of receipt at the HA is the time/date stamp of HA on the offer wrapper or other documentary evidence of receipt maintained by the HA.

(f) The only acceptable evidence to establish the date of mailing of a late offer, modification, or withdrawal sent by Express Mail Next Day Service-Post Office to Addressee is the date entered by the post office receiving clerk on the "Express Mail Next Day Service-Post Office to Addressee" label and the postmark on both the envelope or wrapper and on the original receipt from the U.S. Postal Service. "Postmark" has the same meaning as defined in paragraph (c) of this provision, excluding postmarks of the Canadian Postal Service. Therefore, offerors should request the postal clerk to place a legible hand cancellation bull's eye postmark on both the receipt and the envelope or wrapper.

(g) Notwithstanding paragraph (a) of this provision, a late modification of an otherwise successful offer that makes its terms more favorable to the HA will be considered at any time it is received and may be accepted.

(h) If this solicitation is a request for proposals, proposals may be withdrawn by written notice, or if authorized by this solicitation, by telegram (including mailgram) or facsimile machine transmission received at any time before award. Proposals may be withdrawn in person by a offeror or its authorized representative if the identity of the person requesting withdrawal is established and the person signs a receipt for the offer before award. If this solicitation is an invitation for bids, bids may be withdrawn at any time prior to bid opening.

7. Contract Award

(a) The HA will award a contract resulting from this solicitation to the responsible offeror whose offer conforming to the solicitation will be most advantageous to the HA, cost or price and other factors, specified elsewhere in this solicitation, considered.

(b) The HA may

- (1) reject any or all offers if such action is in the HA's interest,
- (2) accept other than the lowest offer,
- (3) waive informalities and minor irregularities in offers received, and (4) award more than one contract for all or part of the requirements stated.

(c) If this solicitation is a request for proposals, the HA may award a contract on the basis of initial offers received, without discussions. Therefore, each initial offer should contain the offeror's best terms from a cost or price and technical standpoint.

(d) A written award or acceptance of offer mailed or otherwise furnished to the successful offeror within the time for acceptance specified in the offer shall result in a binding contract without further action by either party. If this solicitation is a request for proposals, before the offer's specified expiration time, the HA may accept an offer, whether or not there are negotiations after its receipt, unless a written notice of withdrawal is received before award. Negotiations conducted after receipt of an offer do not constitute a rejection or counteroffer by the HA.

(e) Neither financial data submitted with an offer, nor representations concerning facilities or financing, will form a part of the resulting contract.

8. Service of Protest

Any protest against the award of a contract pursuant to this solicitation shall be served on the HA by obtaining written and dated acknowledgment of receipt from the HA at the address shown on the cover of this solicitation. The determination of the HA with regard to such protest or to proceed to award notwithstanding such protest shall be final unless appealed by the protestor.

9. Offer Submission

Offers shall be submitted as follows and shall be enclosed in a sealed envelope and addressed to the office specified in the solicitation. The proposal shall show **the hour and date specified in the solicitation for receipt, the solicitation number, and the name and address of the offeror, on the face of the envelope.**

It is very important that the offer be properly identified on the face of the envelope as set forth above in order to insure that the date and time of receipt is stamped on the face of the offer envelope. Receiving procedures are: date and time stamp those envelopes identified as proposals and deliver them immediately to the appropriate contracting official, and only date stamp those envelopes which do not contain identification of the contents and deliver them to the appropriate procuring activity only through the routine mail delivery procedure.

[Describe bid or proposal preparation instructions here:]

Attachment G

Certification of Payments to Influence Federal Transactions

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

Public reporting burden for this information collection is estimated to average 30 minutes. This includes the time for collecting, reviewing, and reporting data. The information requested is required to obtain a benefit. This form is used to ensure federal funds are not used to influence members of Congress. There are no assurances of confidentiality. HUD may not conduct or sponsor, and an applicant is not required to respond to a collection of information unless it displays a currently valid OMB control number.

Applicant Name

Program/Activity Receiving Federal Grant Funding

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying, in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official

Title

Signature

Date (mm/dd/yyyy)

Attachment H

CONFLICT OF INTEREST QUESTIONNAIRE

FORM CIQ

For vendor doing business with local governmental entity

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. See Section 176.006(a-1), Local Government Code.

A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.

OFFICE USE ONLY

Date Received

1 Name of vendor who has a business relationship with local governmental entity.

2 ☐ **Check this box if you are filing an update to a previously filed questionnaire.** (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

3 Name of local government officer about whom the information is being disclosed.

Name of Officer

4 Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the vendor?

☐ Yes ☐ No

B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer or a family member of the officer AND the taxable income is not received from the local governmental entity?

☐ Yes ☐ No

5 Describe each employment or business relationship that the vendor named in Section 1 maintains with a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership interest of one percent or more.

6 ☐ Check this box if the vendor has given the local government officer or a family member of the officer one or more gifts as described in Section 176.003(a)(2)(B), excluding gifts described in Section 176.003(a-1).

7

Signature of vendor doing business with the governmental entity

Date

CONFLICT OF INTEREST QUESTIONNAIRE

For vendor doing business with local governmental entity

A complete copy of Chapter 176 of the Local Government Code may be found at <http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.176.htm>. For easy reference, below are some of the sections cited on this form.

Local Government Code § 176.001(1-a): "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

- (A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;
- (B) a transaction conducted at a price and subject to terms available to the public; or
- (C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

Local Government Code § 176.003(a)(2)(A) and (B):

- (a) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

- (2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds \$2,500 during the 12-month period preceding the date that the officer becomes aware that

(i) a contract between the local governmental entity and vendor has been executed;
or

(ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than \$100 in the 12-month period preceding the date the officer becomes aware that:

- (i) a contract between the local governmental entity and vendor has been executed; or
- (ii) the local governmental entity is considering entering into a contract with the vendor.

Local Government Code § 176.006(a) and (a-1)

- (a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

(1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);

(2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or

(3) has a family relationship with a local government officer of that local governmental entity.

- (a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

- (1) the date that the vendor:

(A) begins discussions or negotiations to enter into a contract with the local governmental entity; or

(B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

- (2) the date the vendor becomes aware:

(A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);

(B) that the vendor has given one or more gifts described by Subsection (a); or

(C) of a family relationship with a local government officer.

Attachment I

CERTIFICATE OF INTERESTED PARTIES**FORM 1295****OFFICE USE ONLY**

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

4 Name of Interested Party	City, State, Country (place of business)	Nature of Interest (check applicable)	
		Controlling	Intermediary

5 Check only if there is **NO** Interested Party. ☐

6 UNSWORN DECLARATION

My name is _____, and my date of birth is _____.

My address is _____, _____, _____, _____, _____.
(street) (city) (state) (zip code) (country)

I declare under penalty of perjury that the foregoing is true and correct.

Executed in _____ County, State of _____, on the _____ day of _____, 20____.
(month) (year)

Signature of authorized agent of contracting business entity
(Declarant)

ADD ADDITIONAL PAGES AS NECESSARY