



**Insurance Broker Services for General Liability for Parqwood Apts
Request for Proposals (RFP #19-R005)
Issue Date: June 14, 2019**

**ADDENDUM #1
Issued: July 2, 2019**

NOTICE TO PROPOSERS:

- A. This Addendum shall be considered part of the Contract Documents for the above-mentioned project as though it had been issued at the same time and shall be incorporated integrally therewith. Where provisions of the following supplementary data differ from those of the original Contract Documents, this Addendum shall govern and take precedence.
- B. Offerors are hereby notified that they shall make any necessary adjustment in their estimates on account of this Addendum. It will be construed that each Proposer's documentation is submitted with full knowledge of all modifications and supplemental data specified herein.

Addendum #1

- 1. There are armed security guards that are being contracted by the Management Company, see attached agreement with Tenable.
- 2. The building has a fire sprinkler system.
- 3. The smoke detectors are located in the hallways and in each unit.
- 4. The smoke detectors are hard-wired and have a battery back-up.
- 5. The primary source of heat is a boiler that was updated in the 2015 renovations.
- 6. The electrical system was updated with the 2015 renovation and includes GFI outlets and the hard-wiring of the smoke detectors.
- 7. The Management Agreement with Nelson and Associates is attached.

(End of Addendum #1)

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This Addendum shall be considered part of the above referenced RFP as though it had been issued at the same time and shall be incorporated integrally therewith. Where provisions of the following supplementary data differ from those of the original Contract Documents, this Addendum shall govern and take precedence.

(1) GAUGE LEVEL OF INTEREST: So that we can gauge the level of interest in this RFP, if you have not previously done so, please advise us as to whether or not you anticipate delivering to us a quotation submittal in response to this solicitation (e.g. "Will Submit" or "No Bid").

Will Submit _____ **No Bid** _____

Thank you for your interest in doing business with LMHA and we look forward to receiving a submission from your firm.

Sherry Tobin, Manager, Procurement & Contracts

You must acknowledge this Addendum electronically via the NAHRO eProcurement system, by fax to (419)254-3495, email (stobin@lucasmha.org), or upload no later July 5, 2019 at 12:00 PM EST. It is the responsibility of all offerors to acknowledge addendums. Failure on the part of any offeror to acknowledge this addendum by the deadline may, at the LMHA’s discretion, deem that offeror as non-responsive and may eliminate such offer from consideration for award.

ACKNOWLEDGED BY:

Signature

Date

Printed Name

Company

E-mail address



TENABLE® PROTECTIVE SERVICES, INC.

2423 Payne Avenue • Cleveland, OH 44114 • Tel: 216-361-0002 • 1-877-TENABLE • Fax: 216-361-8690

AGREEMENT FOR SERVICES

This Agreement made and entered into this 13th day of May 2019 between TENABLE PROTECTIVE SERVICES, INC., an Ohio corporation (hereinafter "Tenable") and PARQWOOD APARTMENTS, LP (hereinafter "Client").

SERVICES:

- (A) Tenable agrees to provide Client with law enforcement personnel and security services consisting of the following:
- Armed Uniformed Security Officers
 - Off Duty Law Enforcement Officers
 - Peer Security/Crowd Management
 - Non-Security Personnel
 - Supervision
 - Consulting Services
 - Mobile Patrol Services
 - Alarm Response Services
- (B) Tenable agrees to employ competent and qualified personnel and further agrees to cause such personnel to conform to all rules and regulations established by Client.
- (C) Client hereby acknowledges that security acts as a deterrent and is not an absolute in preventing loss and injury. Tenable is not responsible for any property damage, injury, loss, or like occurrence that is caused by a third-party.
- (D) Tenable has been contracted to provide services as listed above under Section "A" and in this instance does not include Consulting Services. Further, the Client acknowledges and understands that Tenable has not been retained to provide security or safety related consulting services under this Agreement. Additionally, the Client has provided all instructions concerning the duties associated with the contracted security services and the total schedule of these services. Unless expressly specified herein, the Client has determined the necessary and required staffing levels and the placement of personnel.

TPS Initials:  Client Initials: 
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LOCATION:

2125 Parkwood Ave – Toledo Ohio, 43620

SCHEDULING:

Client shall determine the number of personnel and hours of duty required. Client shall advise Tenable of the required number of personnel and hours of duty no later than seventy-two (72) hours prior to the date of the requested service. Tenable maintains four (4) hour minimum staffing call. It is contemplated that a regular schedule will be developed by the Client. Tenable shall determine the specific personnel to service Client's account. If Client deems an officer is unacceptably performing his/her duties, a written request of removal must be submitted to Tenable either via facsimile, e-mail or standard mail.

COMPENSATION:

- (A) Tenable shall be paid for services provided on an hourly basis for armed security officers at \$22.33 per hour plus applicable taxes. Additionally, Tenable will invoice the client \$1,000 for the issuance of an additional insured certificate annually. In the event the weekly hours decrease below N/A hours per week, the hourly rate shall be increased to a directly proportionate monetary percentage calculated as follows: $\text{Original hours} - \text{New hours} = x * .5\% + \text{Original Rate} = \text{New Rate}$.
- (B) In the event that Client requests additional security services with less than seventy-two (72) hours prior notice, then such additional services shall be deemed "emergency service" and shall be charged at one and one-half (1 1/2) times the above listed rate.
- (C) The Client agrees to pay Tenable the rate of time and one half for man hours worked on the following legal holidays: Christmas Day, Christmas Eve Day, New Year's Day, New Years Eve Day, Memorial Day, Fourth of July, Labor Day, Easter Day and Thanksgiving Day, from 00:00 hours to 24:00 hours.

ADDITIONAL FEES:

Tenable may place into effect a one-time assessment fee or surcharge due to extraordinary fluctuations in market supply pricing, which are unexpected in nature.

- (A) Market Supply Pricing shall be described as to the following but not limited to items such as: surcharges passed on by suppliers to Tenable, insurance, workmen's compensation, legislative acts enacted or passed by municipal, state or federal levels which affect vendor's operations.
- (B) The Client may request an accounting of the aforementioned fluctuations in market supply pricing.

PAYMENT:

Tenable and Client agree that services will commence once a preliminary invoice has been paid by Client. All Client accounts must pay a one time or one week's deposit totaling \$N/A which will be utilized towards any outstanding balances that may exist when services are discontinued. Client agrees that all accounts shall be paid promptly upon submission of invoice.

TPS Initials:  Client Initials: 

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Client agrees to pay Tenable within 15 days upon receipt of all invoices. Invoices not paid within 15 days will be subject to an assessed fee of 1½% per month on the outstanding unpaid balance. Fees associated with collecting outstanding balances will be charged to Client. Accounts more than sixty (60) days past due may result in immediate cancellation of services. No preliminary notice will be given pertaining to the section labeled "Term" concerning normal cancellation of services. In the event that the Client does not make payment within the above listed time period, Tenable has the authority to place the respective monies due onto the provided credit card account. Client further understands and agrees that the credit card is only intended to be used as a means to collect past due sums.

The above terms and conditions of this Agreement have been agreed to and are binding and nonnegotiable. Client has agreed to pay all attorneys' fees and collection fees, plus costs, which may be incurred by Tenable in the collection of any unpaid invoice pursuant to the terms of this paragraph.

TERM:

The term of this Agreement shall be for one year and will renew itself at a mutually agreed upon hourly rate upon the expiration of the original term. Either party may cancel this agreement upon providing the other party thirty (30) days' notice within the contract period at the address specified above.

COMPLIANCE WITH STATE LAW:

Tenable represents and warrants that it is duly licensed by the Ohio Department of Public Safety, Division of PISG and that all security personnel provided hereunder shall be registered with the Division of PISG. Prior to commencement of services Tenable shall furnish to client copies of all licenses, permits and approvals required by law for the performance of services by Tenable. Tenable shall maintain all such licenses permits or approvals in full force and effect during the term of this agreement at its own expense.

INDEPENDENT CONTRACTOR:

Tenable is an independent contractor and assumes all the duties and responsibilities of payroll, employee benefits, workers compensation, unemployment compensation and like cost, for all the personnel employed by Tenable in the connection with this Agreement. The Client shall not be responsible for withholding or paying any income, payroll, Social Security, or other federal, state, or local taxes, making any insurance contributions, including for unemployment or disability, or obtaining worker's compensation insurance on the Contractor's behalf. The Contractor shall be responsible for, and shall indemnify the Client against, all such taxes or contributions, including penalties and interest, as well as for minimum wage, overtime or other requirements relative to its employees. Any persons employed or engaged by the Contractor in connection with the performance of the Services shall be the Contractor's employees and the Contractor shall be fully responsible for them and indemnify the Client against any claims made by or on behalf of any such employee.

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INSURANCE:

Tenable and Client agree that Tenable is not an insurer of Client. Tenable shall maintain general liability insurance including Armed Security Guard Insurance and shall provide proof of same upon Client's demand. Coverage provided under the General Liability insurance will include assault & Battery or molestation coverage. Tenable will invoice the client \$1,000 for an additional insured certificate annually.

INDEMNITY:

Each party agrees to indemnify and hold harmless the other (and its respective agents and representatives) from any and all liability, damages, costs, reasonable attorney's and paralegal's fees, fines, damages, claims and expenses that may be imposed upon, incurred or asserted against the other party and arising or alleged to arise from the negligence or wrongful acts or omissions of the other party (a "Claim"). Provided, however, that such indemnification shall not apply to the extent that a Claim (a) arises as the result of the instructions, wrongful acts, omissions or negligence of the party (or any of its agents or representatives) seeking to enforce such indemnification, or (b) is judicially apportioned (or agreed to) between the parties hereto, as joint tortfeasors.

NON-SOLICITATION OF TENABLE EMPLOYEES:

Client agrees that during the term of this Agreement, and for the period of one (1) year thereafter, the Client shall not directly, indirectly or through a third party entity such as another contract security provider, employ or solicit for employment, any Tenable employees who have provided services for the Client hereunder. If it is determined that Client did directly or indirectly, or through a third party did employ a protected Tenable employee as defined in this section the client shall pay thirty percent of the total compensation that Tenable pays that employee during the first year of his or her employment. In addition, Tenable shall be able to pursue all remedies available at law or equity.

ADDITIONAL SERVICE:

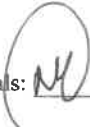
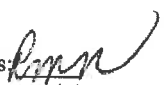
In the event that a Tenable employee is called to testify in the prosecution of alleged criminal violations committed on Client's property, Client shall pay the regular hourly rate for those hours spent in court with a separate detailed invoice for such time.

ENTIRETY:

This Agreement, contains the entire Agreement and understanding between the parties hereto and supersedes any prior or contemporaneous written or oral agreements, representations and warranties between them respecting the subject matter hereof.

MODIFICATION:

This Agreement may be supplemented, amended, or modified only by the mutual agreement of the parties. No supplement, amendment, or modification of this Agreement shall be binding unless it is in writing and signed by all parties.

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SEVERABILITY:

If any one or more of the provisions of this Agreement shall for any reason be held to the excessively broad to the time, duration, scope, activity or subject, by a court of competent jurisdiction, such court shall exercise discretion in reforming the provisions of this Agreement to the end that the remainder of this Agreement and such term, provision, covenant or condition as applied shall remain in full force and effect. If any term, provision, covenant or condition of this Agreement, or the application thereof shall be held to be invalid, unenforceable or void, the remainder of this Agreement and such term, provision, covenant or condition as applied shall remain in full force and effect.

ASSIGNMENT:

Neither party may assign this Agreement unless consented to by both parties in writing.

WAIVER:

No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this Agreement shall be effective unless it is in writing and signed by the party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right, or remedy, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies.

AMBIGUITIES:

Each party and its counsel have participated fully in the review and revision of this Agreement. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in interpreting this Agreement. The language in this Agreement shall be interpreted as to its fair meaning and not strictly for or against any party.

STANDARDS OF QUALITY, APPEARANCE AND CONDUCT:

Client may request the dismissal or replacement of any employee of Tenable at Client's reasonable discretion. Client shall notify prior to requesting a dismissal or replacement of an employee of Tenable if reasonable under the circumstances or otherwise, as soon as practical and before the next schedule. In all such cases, Client shall provide Tenable with written documentation of the reasons it requested the dismissal of the Tenable employee, and Tenable and Client will consult regarding any further employment action to be taken.

TPS Initials:  Client Initials: 
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NOTICES:

All notices required by this Agreement shall be in writing and sent by Facsimile, Electronic Mail, Federal Express, or U.S. Mail, Return Receipt Requested as provided below. Such notice shall be sufficient for the purposes of this Agreement only if sent to the party's "Address for Service" as listed below. Such Address for Service may be changed by any party by serving notice (in compliance with this paragraph) on the other party. No notice sent by facsimile shall be sufficient without a confirmation receipt. No notice sent by electronic mail shall be sufficient unless sent to an address included in the recipient's Address for Service and acknowledged by a human-generated response.

Tenable's Address for Service:

Address: 2423 Payne Avenue
Cleveland, OH 44114
Fax: (216) 361-8694
E-mail: dyarnell@tenable.net

Customer's Street Address for Service:

Address: 2125 Parkwood Ave
Toledo, Oh 43620
Fax: _____
E-mail: ramona.hyson@nelsonasc.com

JURISDICTION:

All Parties agree that any legal actions arising out of this Agreement under color of state law will be conducted in Common Pleas Court of Lucas County, Ohio. Any actions arising out of federal law will be held in United States District Court, Northern District of Ohio, Eastern Division, Cleveland.

FORCE MAJEURE:

No party shall be liable for any failure to perform its obligations in connection with any action described in this Agreement, if such failure results from any act of God, riot, war, civil unrest, flood, earthquake, terrorist event or occurrence whether domestic or international or other cause beyond such party's reasonable control (including any mechanical, electronic, or communications failure, but excluding failure caused by a party's financial condition or negligence).

MEDIATION:

Parties agree to make good faith attempts to resolve disputes arising from this Agreement through mediation, prior to filing any claim against the other party.

HEADINGS:

The headings in this Agreement are included for convenience only and shall neither affect the construction or interpretation of any provision in this Agreement nor affect any of the rights or obligations of the parties to this Agreement.


TPS Initials:  Client Initials: 
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AUTHORITY:

Each person signing this Agreement represents and warrants that he or she is duly authorized and has legal capacity to execute and deliver this Agreement. Each party represents and warrants to the other that the execution and delivery of the Agreement and the performance of such party's obligations hereunder have been duly authorized and that the Agreement is a valid and legal Agreement binding on such party and enforceable in accordance with its terms.

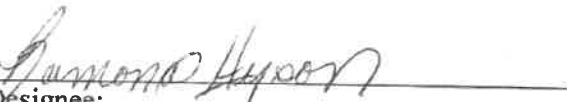
IN WITNESS WHEREOF, the parties have duly executed this Agreement on the day and the year first above written.

TENABLE PROTECTIVE SERVICES, INC.

By: 
Daniel Yarnell - Vice President

Date: 5/14/19

CLIENT: PARQWOOD APARTMENTS, LP

By: 
Designee:
Title: Pres. Nelson & Associates, Inc.
agent for Parqwood

Date: 5/14/2019

Attachment

Tenable Protective Services, Inc. W-9

PROPERTY MANAGEMENT AGREEMENT

This Property Management Agreement (this "Agreement") is made effective as of the **1st day of April, 2019**, by and between Parqwood Apartments, L.P. ("Owner"), and Nelson and Associates, Inc., an Ohio corporation ("Manager").

RECITALS

A. Owner leases certain real property pursuant to a ground lease, located in the City of Toledo, Lucas County, Ohio, together with all improvements, appurtenances and equipment located thereon, including 134 low-income housing units known as Parqwood Apartments (the "Project"), 134 of which will be operated and maintained as qualified low-income housing tax credit units under Section 42 of the Internal Revenue Code of 1986, as amended ("**Tax Credit Units**"), and 134 of which units will be operated as units subsidized with Section 8 Project Based Rental Assistance under the Rental Assistance Demonstration program (the "**RAD Units**"), and 7 of which units will operated as units subsidized with HOME Investment Partnerships Program (the "**HOME Units**"), subject to all the requirements thereof.

B. Owner wishes to obtain the services of Manager in connection with the management of the Project subject to the terms and provisions of this Agreement; and Manager wishes to perform such services for a fee in exchange for the management fee provided herein.

NOW, THEREFORE, in consideration of the covenants and agreements herein contained, the parties hereto mutually agree as follows:

ARTICLE 1 DEFINITIONS

1.1 Definitions.

- a) "**Applicable RAD Requirements**" means all applicable statutes, regulations and guidance and other requirements issued by HUD for the Rental Assistance Demonstration ("RAD") program, as they become effective, including but not limited to (1) the Consolidated and Further Continuing Appropriations Act of 2012, (2) all current requirements in HUD handbooks and guides, notices (including but not limited to, Notice PIH 2012-32, Rev. 3 (the "RAD Notice") as it may be amended from time to time), and Mortgagee letters (if any) for the RAD program, (3) the RCC, RAD HAP Contract, RAD Use Agreement, and (4) and all future updates, changes and amendments thereto, as they become effective.
- b) "**Authority**" means the Lucas Metropolitan Housing Authority.
- c) "**Code**" means Section 42 of the Internal Revenue Code of 1986, as amended.

- d) "**HOME Requirements**" means those requirements applicable to the HOME Investment Partnerships Program, including those requirements imposed by Title II of the Cranston-Gonzalez National Affordable Housing Act, Public Law No. 101-625, the implementing regulations at 24 CFR Part 92, as any other federal laws, regulations, notices, and Executive Orders pertaining to the HOME Program, each as may be amended, corrected, or supplemented from time to time, and as further provided in the Authority Funds Declaration of Restrictive Covenants.
- e) "**HOME Units**" means 41 of the Tax Credit Units, which shall be rented to households that qualify as being eligible to occupy HOME-funded units in accordance with the HOME Requirements.
- f) "**HUD**" means the United States Department of Housing and Urban Development.
- g) "**Investor**" shall mean Ohio Equity Fund for Housing Limited Partnership XXIV, its successors and assigns.
- h) "**Lenders**" means each of Red Mortgage Capital, LLC, the Authority, and OHFA.
- i) "**LIHTC**" means (as the context requires) the Low Income Housing Tax Credit program, as described in and governed by the Code, or the tax credits allocated to the Project thereunder.
- j) "**Management Plan**" means the management plan for each Project, which has been adopted by the Owner for the current fiscal year of the Project, after review and approval by the Authority.
- k) "**Notes**" means those promissory notes evidencing the obligation to pay each of the Construction Loan, Permanent Loan, Bridge Loan and Secondary Loan, each as defined in the Partnership Agreement.
- l) "**OHFA**" means the Ohio Housing Finance Agency.
- m) "**Operating Budget**" means the annual operating budget for the Project, as approved by the Owner as required under the Partnership Agreement.
- n) "**Partnership Agreement**" means that certain Amended and Restated Limited Partnership Agreement of Owner dated as of October 24, 2014, as may be amended from time to time.
- o) "**RCC**" means that RAD Conversion Commitment (Public Housing and Section 8 Moderate Rehabilitation (Mod Rehab) Program Conversions; First Component) executed by and among HUD, the Authority, and Owner.

- p) "**RAD HAP Contract**" means the Housing Assistance Payments Contract and RAD HAP Rider by and between Authority and Owner governing the RAD Units.
- q) "**RAD Use Agreement**" shall mean that certain agreement executed by Owner and HUD with respect to permitted uses of the Development and rights of potential beneficiaries, which use restriction governs in case of any conflict with this Agreement.
- r) "**RAD Units**" means the 134 units in the Project that will be operated and maintained in accordance with all Applicable RAD Requirements.
- s) "**Tax Credit Units**" means the 134 units in the Project that will receive the benefit of the Project's allocation of LIHTCs.

ARTICLE 2
APPOINTMENT AND ACCEPTANCE

2.1 **Appointment and Acceptance.** Owner hereby appoints Manager to manage, operate, maintain and otherwise be responsible for renting the residential units in the Project; and Manager hereby accepts the appointment subject to the terms and conditions set forth in this Agreement.

ARTICLE 3
TERM

3.1 **Term.**

- a) This Agreement shall become effective on the date hereof and shall continue in full force and effect for a period of one (1) years with an option by Owner to extend for two (2) subsequent one-year agreement(s), not to exceed a total of three (3) years from the date hereof unless terminated in accordance with the provisions of this Article 3. After the initial term and each successive renewal term, this Agreement shall be deemed renewed automatically for a one-year period, on the same terms and conditions as herein stated, unless on or before sixty (60) days prior to the expiration of any such term, either party notifies the other in writing that it elects not to renew the Agreement.
- b) This Agreement may be terminated as follows:
 - (1) By the Owner or the Manager, with or without cause, provided that not less than sixty (60) days written notice thereof is delivered by the terminating party to the other party; or
 - (2) Immediately upon the occurrence of any of the following events:
 - (a) The Manager is grossly negligent, materially breaches its duties and obligations

under this Agreement, or demonstrates willful misconduct, and the default is not cured within thirty (30) days following written notice thereof;

- (b) The Manager is cited by HUD, the Authority, OHFA or any current lender of funds to the Owner for a violation or alleged violation of any applicable rules, regulations, covenant or requirements, or any tax credit related provision, subject to any applicable grace, cure or waiver period (but in any event subject to at least a thirty (30)-day cure period); or
 - (c) The Manager or the Owner files for, or is named as a debtor, in a petition in bankruptcy, or in the event either makes an assignment for the benefit of creditors or takes advantage of any insolvency act, provided that the terminating party gives prompt written notice of such termination.
- c) In the event of any termination of this Agreement, the Manager will cede management of the Project (including, without limitation, the on-site management office, if applicable) to Owner within 48 hours unless otherwise agreed upon by the parties. In addition, within thirty (30) days after such termination, the Manager will (subject to all applicable regulatory restrictions, including but not limited the Applicable RAD Requirements):
- (1) Turn over to the Owner all of the Project's cash, trust accounts, investments and records;
 - (1) Provide written confirmation to the financial institution(s) holding the Security Deposit Account and each Operating Account that the Manager shall no longer have access to such accounts or the funds therein, and that all such accounts and the funds therein are the sole and exclusive property of Owner. A copy of such confirmation shall be provided contemporaneously to Owner;
 - (3) Provide to Owner copies of all leases, contracts, insurance policies, books, files and all other materials and documents in Manager's possession or control relating to the Project to the extent not provided previously;
 - (4) Turn over Project keys, coded entry devices, passwords, or codes related to the projects or accounts maintained on its behalf;
 - (5) Submit to Owner final versions of any and all financial statements required by this Agreement;
 - (6) Assign to Owner any rights Manager may have (solely in its role as Manager) in and to any existing contracts relating to the operation and maintenance of the Project;
 - (7) Settle all unpaid bills for the Project (limited to Owner's funds available to

settle said bills); and

(8) Notify each resident that all future rent payments shall be made directly to Owner.

After Owner and Manager have accounted to each other with respect to all matters outstanding as of the date of termination, the Owner will furnish the Manager security, in form and principal amount satisfactory to the Manager, against any obligations or liabilities the Manager may properly have incurred on behalf of the Owner hereunder.

ARTICLE 4

GOVERNMENTAL REQUIREMENTS

4.1 **RAD Requirements.** The Owner has agreed to provide for the development and operation of the RAD Units in a manner consistent with all Applicable RAD Requirements. In performing its duties under this Agreement, the Manager will, with respect to all RAD units, comply with all Applicable RAD Requirements. In the event that any instruction from the Owner is in contravention of such requirements, the Applicable RAD Requirements will prevail. Owner is obligated to operate and maintain the RAD Units as units designated for occupancy by elderly households as further provided in the Management Plan, and Manager agrees to operate and maintain the RAD Units accordingly.

This Agreement shall not be or be deemed to be an assignment of any funds advanced or contributed by the Authority or HUD to the Owner or the Manager. Nothing contained in this Agreement, nor shall any act of the parties hereto, be deemed or construed to create any relationship of third-party beneficiary, principal and agent, limited or general partnership, joint venture, or any other association or relationship with or involving HUD.

4.2 **Tax Credit Requirements:** The Owner has received an allocation of LIHTCs for use in financing the Project. With respect to all Tax Credit Units, the Manager will take all steps necessary to assure compliance with the requirements and regulations of both the Internal Revenue Service and OHFA governing the LIHTC program, and comply with the terms of any Tax Credit Regulatory Agreement applicable to such units. Without limiting the foregoing, Manager will at all times lease, operate, manage and maintain the Project in compliance with all requirements of Section 42 of the Code and the regulations promulgated thereunder, including (without limitation) any and all rent limitations and income qualifications, so that (i) the Project (or each building therein) will at all times qualify as a "qualified low-income housing project" under Section 42(g)(1) of the Code, (ii) each of the buildings will at all times qualify as a "qualified low-income building" under Section 42(c)(2) of the Code, (iii) all Tax Credit Units will at all times qualify as "rent-restricted units" under Section 42(g)(2) of the Code, and will otherwise qualify as "low-income units" under Section 42(i)(3) of the Code, and (iv) all Tax Credit Units will at all times be leased to individuals who qualify to lease or occupy such units under Section 42 of the Code.

4.3 **HOME Requirements.** The Owner has received an award of HOME funds for use in financing the Project. With respect to all HOME Units, the Manager will take all steps necessary

to assure compliance with the HOME Requirements.

4.4 **FHA Requirements.** The Owner has obtained financing through HUD's construction program pursuant to Section 221(d)(4) of the National Housing Act for the Project (the "FHA Financing"). The Manager shall comply with all FHA Financing requirements, including those provided at Exhibit B to this Agreement, and which Exhibit B is hereby incorporated by reference.

4.5 **Ohio Law:** The Manager agrees to comply with all applicable laws of the State of Ohio as well as the Toledo Municipal Code (to the extent applicable) and all rules and regulations promulgated in connection therewith.

4.6 **Federal Law:** The Manager will comply with all applicable federal requirements including but not limited to the laws and regulations below, as the same may be amended from time to time:

- a) The Fair Housing Act, 42 U.S.C. §§ 3601-19, and regulations issued thereunder, 24 CFR Part 100; Executive Order 11063 (Equal Opportunity in Housing) and regulations issued thereunder, 24 CFR Part 107; the fair housing poster regulations, 24 CFR Part 110, and advertising guidelines, 37 FR 6700.
- b) Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d, and regulations issued thereunder relating to non-discrimination in housing, 24 CFR Part 1.
- c) Age Discrimination Act of 1975, 42 U.S.C. 6101-07, and regulations issued thereunder, 24 CFR Part 146.
- d) Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. 794, and regulations issued thereunder, 24 CFR Part 8; the Americans with Disabilities Act, 42 U.S.C.12181-89, and regulations issued thereunder, 28 CFR Parts 36.
- e) Reserved.
- f) The Drug-Free Workplace Act of 1988 (41 U.S.C. 701) and HUD's implementing regulations at 24 C.F.R. Part 24, subpart F.
- g) 2 C.F.R. Part 200, as it relates to the acceptance of federal funds and 2 C.F.R. Part 200.317-326, to the extent applicable.
- h) Reserved.

4.7 **Compliance with Government Orders.** Manager will take such action as may be necessary to comply promptly with any and all governmental orders or other requirements affecting the Project, whether imposed by federal, state, county, or municipal authority, subject, however, to the requirements herein concerning repairs. The Manager shall, however, take no such action so long as the Owner is contesting, or has affirmed its intention to

contest, any such order or requirement. The Manager will notify the Owner, in writing, of all notices, of such governmental orders within seventy- two (72) hours of the time of their receipt.

4.8 **Related Documents.** The Owner has adopted a Management Plan incorporated herein by reference, which provides a detailed description of the policies and procedures to be followed in the management of the Project. In many of its provisions, this Agreement briefly defines the nature of the Manager's obligations, with the intention that reference be made to the Management Plan for more detailed policies and procedures. Accordingly, the Owner and the Manager will comply with all applicable provisions of the Management Plan and the tenant selection plan, regardless of whether specific reference is made thereto in any particular provision of this Agreement.

In addition, the Project is subject to certain restrictive covenants and operational requirements as contained in the RAD Use Agreement, Tax Credit Regulatory Agreement and other documents listed on Exhibit A attached hereto and incorporated herein (together, the "Project Documents"). The Owner has furnished Manager with copies of all Project Documents. The Manager agrees to comply, and will cause the Project to comply, with all provisions of the Project Documents.

ARTICLE 5
SERVICES OF
MANAGER

5.1 **Rentals.** Manager shall offer for rent and shall rent the housing units in the Project in accordance with all Requirements (as defined below), a rent schedule to be provided by Owner and the leasing guidelines and form of lease referred to below. Pursuant to its rental responsibilities, Manager shall perform the following (collectively, the "Requirements"):

- a) Follow the tenant selection policies described in the Management Plan, which policies include renting to low-income tenants at rents that satisfy eligibility for LIHTC purposes;
- b) Show housing units for rent in the Project to all prospective tenants;
- c) Take and process applications for rentals, as set forth in the Management Plan. If an application is rejected (to the extent permitted under this Agreement and the Management Plan), then the applicant will receive written notice of the reason for rejection and the rejected application, with reason for rejection noted thereon, will be kept on file for three (3) years following the rejection.
- d) Comply with the leasing and other requirements contained in Section 42 of the Code with respect to housing units eligible for the low-income housing tax credit;
- e) Prepare all dwelling leases and, if applicable, parking permits, and will execute the same in its name, identified thereon as agent for the Owner. The terms of all leases for RAD

Units will comply with all Applicable RAD Requirements. The terms of all leases for Tax Credit Units will comply with the pertinent provisions of the other Project Documents, and the requirements of the Code regarding LIHTCs. Dwelling leases for the RAD Units will be in a form approved by the Owner, the Authority and HUD, but individual dwelling leases need not be submitted for the approval of any of them;

- f) Counsel all prospective tenants of RAD Units and Tax Credit Units regarding their eligibility for such units, and prepare and verify eligibility certifications and re-certifications in accordance with this Agreement, the Applicable RAD Requirements and any HUD regulations pursuant thereto, any other Project Documents, and the requirements of Section 42 of the Code (as applicable);
- g) Negotiate and execute any concession agreements in Manager's name, identified thereon as agent for Owner, subject to prior written approval by Owner of all terms and conditions;
- h) Collect, deposit, and disburse security deposits, if required, in accordance with the terms of each tenant's lease, Sections 9.1 and 9.2 hereof, the provisions of State Landlord-Tenant law, and all Applicable RAD Requirements. The amount of each security deposit will be specified in the lease and be consistent with all applicable laws. Any security deposits collected will be deposited by the Manager in an interest-bearing account, separate from all other accounts and funds, with a bank or other financial institution whose deposits are insured by an agency of the United States. This account will be carried in the Owner's name and designated of record as Parqwood Apartments: Security Deposit Account. Interest on security deposits shall be paid according to the leases and applicable law;
- i) Maintain a current list of acceptable prospective tenants and undertake all arrangements necessary and incidental to the acceptance of rental applications and the execution of leases for all units in the Project, and in accordance with all Applicable RAD Requirements, including those described in Appendix I to the RAD Notice. Manager shall exercise its best efforts (including, but not limited to, placement of advertising with all marketing activities complying with federal state and local requirements, including Section 42 of the I.R.C., interviewing prospective tenants, assisting and counseling in completion of rental applications and execution of leases, determining qualification for preference or priority for admission to the Project as further provided in the Management Plan, processing documents and credit and employment verifications, and explanation of the program and operations of Owner) to effect the leasing of dwelling units and renewal of leases so that the Project is occupied as fully as possible;
- j) Perform such other acts and deeds requested by Owner as are reasonable, necessary and proper in the discharge of Manager's rental duties under this Agreement;
- k) Prorate the first month's rent collected from tenant should the lease term commence on any other day than the first day of the month. If the lease term occurs after the twentieth (20th) day of the month, the prorated amount, plus the next month's rent, shall be collected on or before the first day of the lease term;

- l) participate in the inspection of each dwelling unit identified in the lease together with the tenant prior to move-in and upon move-out, and shall record in writing any damage to the unit at the time the tenant moved in and any damage occurring during the tenant's occupancy; and
- m) with respect to the RAD Units, will provide all resident procedural rights as required by the Applicable RAD Requirements, including but not limited to those rights described at Section 1.7(B)(7) of the RAD Notice. With respect to the RAD Units, Manager's obligations include, but are not limited to providing notifications to the tenant (in a form to be approved by the Owner) of any proposed adverse action (including, but not limited to, lease termination, transfer to a different unit, imposition of maintenance or other charges, or increases in rent) and the grounds therefore. Following such notice, the Manager will afford any RAD Units tenant who so requests the opportunity for an informal hearing in accordance with the Applicable RAD Requirements.
- n) Admission of eligible and suitable applicants to occupancy of the Project will be in accordance with, as applicable, a written system of preferences or priorities, as further detailed in the Management Plan;

5.2 Qualified Rental Use. In addition to the requirements in Section 5.1 above and in order to comply with the requirements of Section 4.2 above with respect to the Tax Credit Units, Manager shall:

- a) Require each prospective tenant to certify, on the lease application and the Low Income Housing Tax Credit Certification form, the amount of such tenant's annual family income, family size, and any other information required to enable Owner to obtain the Tax Credits or otherwise reasonably requested by Owner. Manager shall require tenants to certify in writing as to such matters on an annual basis, prior to such time as the information is required for reporting purposes. Manager must verify information provided by tenant including all income, assets, household characteristics and circumstances that affect eligibility. Income verification is required prior to tenant occupancy of a unit.
- b) From time to time furnish Owner with a written schedule of maximum rents for the dwelling units which complies with the Requirements, for Owner's (and any lender's, if required) approval. Without Owner's express prior written consent, Manager shall not enter into any lease on behalf of Owner at a rental amount exceeding the applicable maximum.
- c) Maintain and preserve all written records of tenant family income and size, and any other information necessary to comply with the Requirements or otherwise reasonably requested by Owner throughout the term of this Agreement, and shall turn all such records over to Owner upon the termination or expiration of this Agreement.
- d) If requested by Owner, Manager shall prepare reports of low-income leasing and

occupancy and other matters related to Manager's obligations hereunder and to the operation of the Project in form suitable for submission in connection with the LIHTC and in compliance with all Applicable RAD Requirements.

5.3 Collection of Rents and Other Receipts. The Manager will collect when due all rents, charges and other amounts receivable on the Owner's account in connection with the management and operation of the Project. All Project receipts (except for tenants' security deposits, which will be handled as specified in Section 5.1(h) above) will be deposited in an account, separate from all other accounts and funds, with a bank whose deposits are insured by the Federal Deposit Insurance Corporation ("FDIC"). This account will be carried in the Owner's name and designated of record as Parqwood Apartments: Operating Account. Except for amounts due the Manager pursuant to the provisions hereof, the Manager shall have no property interest in the Operating Account. The Operating Account shall, at all times during the term hereof, be under the control of Owner. Such receipts shall not be commingled with other funds and shall be deposited and held the Operating Account in accordance with the provisions of Section 9.1 hereof. Funds shall be withdrawn from the Operating Account only in accordance with the provisions of this Agreement for expenses of the Project or for distributions to Owner in accordance with the Partnership Agreement.

5.4 Enforcement of Leases. Manager shall take all reasonable action to secure full compliance by each tenant with the terms of such tenant's lease. Voluntary compliance will be emphasized and Manager shall counsel tenants and make referrals to community agencies in cases of financial hardship or under other circumstances deemed appropriate by Manager, to the end that involuntary termination of tenancies may be avoided to the maximum extent consistent with sound management of the Project. Nevertheless, and subject to the pertinent procedures prescribed in the Management Plan (and, with respect to the RAD Units, the Applicable RAD Requirements), Manager may, and shall if requested by Owner, lawfully terminate any tenancy when, in Manager's judgment, sufficient cause for such termination occurs under the terms of tenant's lease, including, but not limited to, nonpayment of rent.

With respect to any proposed lease termination or eviction of a tenant of a RAD Unit, the Manager will provide all notices of lease termination and take all steps required by the Applicable RAD Requirements. For this purpose, Manager is authorized to consult with legal counsel to be designated by Owner and bring actions for eviction and execute notices to vacate and judicial pleadings incident to such actions, provided, however, that Manager shall keep Owner informed of such actions and shall follow such instructions as Owner may prescribe for the conduct of any such action. Reasonable attorneys' fees and other necessary costs incurred in connection with such actions, as determined by Owner, shall be paid out of the applicable Operating Account. Manager shall properly assess, bill to and make every reasonable effort to collect from each tenant, or the security deposit, the cost of repairing any damages to the housing unit arising during the tenant's occupancy.

5.5 Maintenance and Repairs; Bids and Procurements.

- a) Maintenance and Repairs. Manager shall, at Owner's expense, maintain the Project in a decent, safe and sanitary condition and in a rentable state of repair, all in accordance with the Project rules and regulations, including HUD's Physical Condition Standards and inspection Requirements, currently codified in 24 C.F.R. Part 5 Subpart G, and HUD's Physical Condition Standards for Multifamily Properties, currently codified in 24 C.F.R. Part 200 Subpart P and all applicable local, state and federal laws, ordinances and codes. Manager shall otherwise maintain the Project at all times in a condition acceptable to Owner, including but not limited to cleaning, painting, decorating, plumbing, carpentry, grounds care, and such other maintenance and repair work as may be necessary. Incident thereto, the following provisions shall apply:
- 1) Special attention shall be given to preventive maintenance and, to that end, the services of assigned maintenance staff shall be used.
 - 2) Subject to Owner's prior written approval, Manager shall contract with qualified independent contractors for the maintenance and repair of major mechanical systems, and for the performance of extraordinary repairs beyond the capability of regular maintenance personnel. Manager shall obtain, prior to commencement of any work, appropriate written evidence of such contractor's liability and workers' compensation insurance. All service contracts will: (a) be in the name of the Owner; (b) be assignable, at the Owner's sole option; and (c) include a provision for cancellation by the Owner, without payment of any fee, upon not more than 30 days' notice.
 - 3) Manager shall systematically and promptly receive and investigate all service requests from tenants, take such action thereon as may be justified, and shall keep records of the same. Emergency requests shall be serviced on a 24-hour basis. Complaints of a serious nature shall be reported to Owner after investigation. At Owner's request, Owner shall receive all service requests and the reports of action thereon.
 - 4) Manager shall take such action as may be necessary to comply with any and all orders and requirements of federal, state, county and municipal authorities having jurisdiction over the Project, and with orders of any board of fire underwriters, insurance companies and other similar bodies pertaining to the Project.
 - 5) Except as otherwise provided in this section, Manager is authorized to purchase, at Owner's expense, all materials, equipment, tools, appliances, supplies and services necessary for proper maintenance and repair of the Project. Manager shall obtain receipts for all contracts, materials, supplies, utilities, and services for those items which can be obtained from more than one source. Manager shall obtain bids on all contracts or purchases which exceed \$2,000. For purchases less than \$2,000 (unless otherwise approved) only one quote is required, provided the quote is considered reasonable. Should the purchase threshold be increased by HUD, then

the amount of the threshold would increase upon approval by the Owner. Manager shall secure and credit to Owner all discounts, rebates or commissions obtainable with respect to purchase, service contracts and all other transactions on Owner's behalf. Provided, however, that to the extent applicable, Manager shall follow its own procurement procedures.

Notwithstanding the foregoing, the prior written approval of Owner will be required for any contract which exceeds one year in duration, or expenditure which exceeds \$10,000 in any one instance for labor, materials, or otherwise in connection with the maintenance and repair of the Project, except for emergency repairs involving manifest danger to persons or property, or required to avoid suspension of any necessary service to the Project. In the event of emergency repairs, Manager shall notify Owner of the facts promptly, and in no event later than 72 hours from the occurrence of the event.

- 6) The Manager will systematically and promptly receive and investigate all service requests from residents, take such action thereof as needed, and will keep and distribute records of the same as follows:
 - a. Emergency requests will be received and serviced on a twenty-four (24) hour basis. All emergency repairs will be repaired or abated within 24 hours.
 - b. Routine repairs will be completed with reasonable promptness. All routine repairs will be evaluated within seven working days, and every effort will be made to complete routine repairs within 21 days, excluding extenuating circumstances.
 - c. The Manager will track work orders by, at a minimum, the date and time the work order was received, the nature of the repair, and the completion date.
- b) **Smoke-free Environment.** The Project shall be operated as a smoke-free environment in accordance with the requirements of the tenant leases. In addition, smoking shall be prohibited throughout the Project, including but not limited to in hallways, stairways, common rooms and facilities, decks, patios, exterior landings, front steps, rooftops, fire escapes, storage areas, parking areas, driveways, walkways, lawns, and gardens. Notwithstanding the foregoing, Manager may designate an area for smoking, provided that the designated area is located outside of, and away from, any building or other location where smoke might drift back into the Project.

5.6 Utilities and Services. Manager shall make arrangements for water, electricity, gas, fuel, oil, sewage and trash disposal, vermin extermination, decoration of common areas, laundry facilities, telephone services and other necessary services in connection with the Project. Subject to Owner's prior approval as required in Section 5.5, Manager shall make such contracts as may be necessary to secure such utilities and services.

5.7. On-site Management; Personnel.

- a) On-Site Management Facilities. Subject to the further agreement of the Owner and the Manager as to more specific terms, the Manager will maintain a management office within the Project. The cost associated with this item will be treated as a Project expense.
- b) Personnel. The Management Plan will prescribe the number and positions of the personnel to be regularly employed in the direct management of the Project. All such personnel will be employees of the Manager and will be hired, paid, supervised, and discharged by the Manager. All employees of the Manager must meet all qualifications, licensing and code requirements applicable to assigned tasks and responsibilities. Within the described staffing program, the Manager will have authority and responsibility for organizing and directing the work of all on-site employees. All direct costs associated with on-site employees, including Manager, rental and leasing staff, maintenance, landscaping, custodial staff and security personnel, as applicable, will be paid by the Owner from Project funds as a property operating expense, including direct salary and fringe benefits, taxes and assessments payable to federal state and local governments in connection with employment of such personnel. Costs attributable to other employees of the Manager who perform "front-line" functions (as defined and illustrated in HUD Handbook 4381.5 REV-2, The Management Agent Handbook, Chapter 6) will also be paid from Project funds as a property operating expense. All planned employees who will be paid from Project funds will be identified in the budget detail.

5.8 Operating Account.

- a) From the funds collected and deposited by the Manager into each Operating Account pursuant to Section 5.3 above, the Manager will make the following disbursements from each such Operating Account promptly when payable:
- (1) Reimbursement to the Manager for the pro rata share of compensation (including fringe benefits) payable to the employees specified in Section 5.7 above, and for the taxes and assessments payable to local, state, and Federal governments for such personnel, worker's compensation insurance, and any other payroll expenses in connection with the employment of such personnel. Manager shall be allowed to charge the Project a fee not to exceed \$2,000 per year to cover the cost of payroll related functions. Any increase in the fees set forth above will require the prior written approval of the Owner.
 - (2) The aggregate payments required to be made monthly by the Owner to the Lenders, including the amounts due under the Notes for principal, amortization, interest, taxes and assessments, fire and other hazards insurance premiums, and the amount specified in the Notes or other documents for allocation to any reserves.
 - (3) All sums otherwise due and payable by the Owner as expenses of the Project and authorized to be incurred by the Manager under the terms of this Agreement, including the costs of all maintenance, repairs and services (pursuant to Sections

5.6 and 5.7 above) and compensation payable to the Manager for its service hereunder (pursuant to Section 11.1 below).

- (4) Rent refunds and payments on behalf of such residents directly to utility providers (to the extent specifically provided by any agreements between the Owner and such providers) with notification and proof of payment to the tenant.

Except for the disbursements mentioned in Section 5.8.a. above, funds will be disbursed or transferred from either Operating Account only as the Owner may from time to time direct in writing. The Manager will invest any Project funds that HUD policies require to be invested, and make reasonable efforts to invest other Project funds in investments permitted by the Owner, to the extent requested by the Owner.

- b) The Owner shall establish and maintain one or more reserve accounts with reasonable reserve funds to provide for working capital needs of the Project for operations, maintenance, repairs, capital improvements, replacement, contingencies or any other purpose deemed necessary or appropriate by the Owner (each a "Replacement Reserve"). In the event the balance in either Operating Account is at any time insufficient to pay disbursements due and payable under Subsection 5.8.a above, the Manager will inform the Owner of that fact and the Owner will make a withdrawal from the [Replacement Reserve or the Operating Reserve] (as defined in the Partnership Agreement) and remit such funds to the Manager in an amount sufficient to cover the deficiency; if the deficiency in either Operating Account is of a temporary nature (i.e., based only on the fact that disbursements are payable before tenant rents and other Project income has been collected), the Manager shall, following deposit into the appropriate Operating Account of tenant rents and other Project income for the applicable month, reimburse the Owner in the amount of any such withdrawals, and Owner shall, in turn, reimburse the Operating Reserve account. In no event will the Manager be required to use its own funds to pay any Project disbursements or be liable for any losses, costs or damages arising out of Owner's failure to cover the deficiency.

5.9 Operating Budget. Manager shall prepare a recommended annual Operating Budget and projected rental rates for the Project for each fiscal year during the term of this Agreement, and shall submit the same to Owner and Investor at least Ninety (90) days before the beginning of such fiscal year. The annual Operating Budget shall include a schedule of recommended rents to be charged for each housing unit, including recommended rent increases with respect to lease renewals and new leases and in accordance with all applicable Project requirements. In preparing each proposed annual Operating Budget, Manager shall use its best efforts to take account of anticipated increases in real estate taxes, utility charges and other operating costs. To the extent feasible, Manager shall support anticipated increases in real estate taxes and utility charges with written evidence or documentation. Proposed annual operating budgets for the Project shall be subject to approval by Owner and Investor. Owner shall inform Manager of any changes incorporated in the approved Operating Budget, and Manager shall make no expenditures in excess of the amounts set forth in such approved Operating Budget for each line item of operation expense itemized, without the prior written approval of Owner, except as permitted pursuant to

Section 5.5 thereof for emergency repairs involving manifest danger to persons or property, or required to avoid suspension of any necessary services to the Project.

5.10 Escrow & Tax Payments. From the funds collected and deposited by Manager in the Operating Account, Manager shall make any monthly escrow payments required under the mortgage loans or the direction of Owner, if any, for the purpose of funding insurance, tax and such other reserve or escrow accounts for the Project as are necessary to conform to the Requirements. Manager promptly shall present tax bills and insurance premium notices to the escrow agent for payment, and shall furnish Owner with evidence of timely payment of such taxes and insurance premiums, and of timely payment of mortgage and escrow payments, if any.

5.11 Licenses and Permits. Manager shall acquire and keep in force, at Owner's expense, all licenses and permits required for the operation of the Project as rental housing.

5.12 Records and Reports. In addition to the Requirements (as defined in Section 5.1) and all other requirements as specified in this Agreement, Manager shall have the following responsibilities with respect to records and reports:

- a) Manager shall establish and maintain a system of records, books, and accounts using the accrual method of accounting and in a manner satisfactory to Owner and Investor and the Authority which is consistent with and for the duration mandated by the Requirements. All records, books and accounts shall include information relating to the status of the Project (including complete tenant files, both current and historic, and a maintenance file for each dwelling in the Project). All records, books and accounts will be subject to examination at reasonable hours upon reasonable notice by any authorized representative of either the Owner or any of its partners or of the Authority.
- b) Manager shall prepare and submit the following reports to Owner and Investor on or by the fifteenth (15th) day after the end of each calendar month:
 - 1) A monthly asset management report in the form provided by Investor through Investor's web-based system, and which report shall include Investor's required report transmittal sheet.
 - 2) A current month rent roll showing delinquencies, vacancies, rent collections, physical occupancy and qualified tax-credit occupancy.
 - 3) A statement of any accounts, records, reports, documents and other information necessary to receive payments under the RAD HAP Contract. Including, but not limited to a **monthly**:
 - a) Tenant rent roll.
 - b) Aged tenant receivable report
 - c) A balance sheet for the Project.
 - d) An income statement with actual vs. budget comparison.

- e) A check register.
 - f) Aged payables listing.
 - g) Copies of cancelled check and any statement for real estate taxes paid.
 - h) Copies of cancelled check and any invoice for insurance premium (s) paid.
 - i) Upon request of Owner, copies of cancelled check and invoice for any payments.
 - j) Reconciled bank statements for all company accounts.
 - k) A trial balance
 - l) A detailed general ledger
 - m) Such other reports as are reasonably requested for such quarter, including, if requested, a trial balance and a general ledger.
 - n) Reconciled bank statements of the Operating Accounts, Security Deposit Accounts and Replacement Reserve Accounts as of the end of the previous month.
 - o) A narrative of any unusual actions taken or emergencies responded to, and a full report of any accidents, claims, and potential claims, for the preceding month.
 - p) Box Score Summary.
 - q) 12 month rolling financial statements.
- c) Manager shall prepare and submit the following **quarterly** reports in the form provided by Investor to Owner and Investor on or by the fifteenth (15th) day after the end of each calendar quarter.
- 1) A quarterly asset management report in the form provided by Owner.
 - 2) A quarterly status report in the form provided by Owner.
 - 3) A quarterly tenant rent roll.
 - 4) Aged tenant receivable report
 - 5) A balance sheet for the Project.
 - 6) An income statement with actual vs. budget comparison.
 - 7) A check register for the quarter.
 - 8) Aged payables listing
 - 9) Copies of cancelled check and any statement for real estate taxes paid during the quarter.
 - 10) Copies of cancelled check and any invoice for insurance premiums paid during the quarter.
 - 11) Upon request of Owner, copies of cancelled check and invoice for any payment of \$1,000 or more (excluding mortgage and utility payments, cash transfers, management fees or reimbursements to management company).
 - 12) Reconciled bank statements for all company accounts.
 - 13) Such other reports as are reasonably requested for such quarter, including, if requested, a trial balance and a general ledger.
 - 14) Box Score Summary.
 - 15) 12 month rolling financial statements.

- d) Each quarterly report shall include a report on the entire Project. At the end of the third quarter, an estimate of benefits and losses for the year, the projected operating budget for the coming year.
- e) No later than January 30th of each fiscal year of the Project, the Manager will prepare and submit to the Owner (for the Owner's signature and submission to the Authority and HUD) a draft of the federal tax information and a complete annual financial report for the Project based upon an examination of the books and records of the Owner including (i) a report containing audited financial statements for the prior fiscal year, including a profit and loss statement, a balance sheet, a statement of partner's equity, and a cash flow statement; (ii) an unaudited comparison of the actual results of the operations of the Project during prior fiscal year with the Operating Budget for each year; (iii) a report of the occupancy level of the Project; (iv) a statement indicating if there are any operating deficits or anticipated operating deficits; and if so, the manner in which it is anticipated that such deficits will be funded; (v) a narrative explaining significant deviations in the operations of the Project from projected operations and outlining and explaining any material or significant occurrences affecting the Project or the Owner; and (vi) any other information regarding the Project and its operations during the prior fiscal year reasonably requested by the Owner.

Each annual report shall a report on the entire Project. After approval by the Owner, the final completed reports shall be prepared and certified by the Owner's certified public accountant in accordance with the requirements of the Owner, any directives of the Project's enders or the Authority and in conformity with generally accepted accounting principles applied on a consistent basis.

- f) Manager shall send all reports that are required to be sent to any lenders to Owner and Investor for their prior approval, which approval shall not be unreasonably withheld or delayed provided, however, that Owner and Investor shall have two weeks to review such reports prior to submission to any lender.
- g) Manager shall prepare and submit a copy of the OHFA Compliance Tool in electronic format to Owner and Investor on or by the fifteenth (15th) day after the end of each calendar quarter. Manager shall prepare and submit a copy of the fully executed OHFA Annual Owner's Certification to Owner and Investor on or by April 15th of each year. Manager shall send all reports that are required to be sent to OHFA in response to any audit or other inquiry to Owner, Investor and Authority for their prior approval, which approval shall not be unreasonably withheld, delayed or conditioned, provided, however that to the extent practicable, Owner, Investor and Authority shall have two weeks to review such reports prior to submission to any lender.
- h) Manager shall prepare, execute and file all forms, reports and returns required by law in connection with the employment of personnel, unemployment insurance, workers' compensation insurance, disability benefits, Social Security and other similar insurance, and all other benefits or taxes now in effect or hereafter imposed.

- i) All bookkeeping, data processing services and management overhead expenses shall be paid for by Manager, including any additional accounting services necessary to produce reports required under this Section 5.12 to the satisfaction of Owner and Investor.
- j) Manager shall promptly furnish such additional information as may be requested from time to time by Owner with respect to the renting and financial, physical or operational condition of the Project, and agrees to assist the Owner, as reasonably necessary, in providing all other information and preparing all other reports as the Owner is required to provide under the Partnership Agreement.
- k) Manager shall establish tenant files containing copies of leases, certification forms, notices and other documentation required by Owner as necessary to conform to the Requirements. In addition, Manager shall upon request by Owner provide to Owner a copy of all original tenant files as soon as they become available.
- l) Manager will permit the Authority, HUD and any agency providing funds to Authority, to perform any audit of the Manager's finances and records related to its performance under this Agreement, including without limitation, the financial arrangement with any party Manager may delegate to discharge any part of its obligations under this Agreement. Manager shall provide access to Authority, HUD, any agency providing funds to Authority, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers and records which are directly pertinent to this Agreement for the purpose of audit and examination, including the right to make copies. The Manager shall provide HUD or its duly authorized representative access to the Project.
- m) Manager shall provide the files and documentation to the Owner and agrees to assist the Owner, as reasonably necessary, should it be determined that the owner wishes to move to an in house file management system.

5.13 Supporting Documentation. As additional support to the monthly asset management report and rent roll required pursuant to Section 5.12 b) above, Manager shall provide, upon Owner's request, copies of the following:

- a) Bank deposit slips.
- b) Detailed trial balance.
- c) Summaries of adjusting journal entries.

5.14 Tenant-Management Relations. Manager shall encourage and assist tenants of the Project to participate in a residents' organization to promote the tenants' common interests and to increase their ability and incentive to protect and maintain the Project and to contribute to its efficient management.

5.15 Owner Communications. Manager shall be available for communications with Owner and shall keep Owner advised of items materially affecting the Project.

ARTICLE 6
MANAGEMENT AUTHORITY

6.1 Authority. Manager's authority is expressly limited to the provisions contained herein as they may be amended in writing from time to time in accordance with the provisions of this Agreement. Owner expressly withholds from Manager any power or authority to make any structural change in the Project or to make any other major alterations or additions in or to the Project or fixtures or equipment therein, or to incur any expense chargeable to Owner other than expenses related to exercising the express powers granted to Manager by the terms of this Agreement without the prior written consent of Owner.

6.2 Delegation of Duties. Manager shall have the right to engage independent contractors for performance of such of its duties hereunder as Manager deems necessary, but Manager shall have the responsibility for supervision of the performance of such duties. All contracts with independent contractors shall be subject to the approval of Owner.

6.3 Compliance with Law. Manager shall comply fully with **all** federal, state, county, and municipal laws, ordinances, rules, regulations and orders relative to the leasing, use, operation, repair and maintenance of the Project. Manager shall remedy promptly any violation of any such law, ordinance, rule, regulation or order which comes to its attention and shall notify Owner by the end of the next business day after Manager becomes aware of any violation for which Owner may be subject to penalty.

6.4 Management Plan. Particular Requirements for the day-to-day management of the Project are outlined in the Management Plan.

ARTICLE 7
INSURANCE AND INDEMNIFICATION

7.1 Liability of Manager. Except as expressly provided to the contrary herein, the obligations and duties of Manager under this Agreement shall be performed as agent of Owner. All expenses incurred by Manager in accordance with its obligations and duties under this Agreement and consistent with Owner's approved Operating Budget, except those due to gross negligence or willful misconduct and those expressly specified as Manager's expenses herein, shall be for the account of and on behalf of Owner.

7.2 Insurance. Manager shall obtain and keep in force such forms and amount of insurance requested at the Owner's expense as necessary under the Requirements with insurance companies satisfactory to Owner, including but not limited to insurance against physical damage (i.e. fire and extended coverage endorsement, boiler and machinery, etc.) and against liability for loss, damage or injury to property or persons which might arise out of the occupancy, management, operation or maintenance of any part of the Project. Manager, while acting as real estate manager for Owner, shall be named as an additional insured in all liability insurance maintained with respect to the Project. Manager shall investigate and promptly furnish to Owner and the Authority full written reports of all accidents, claims and potential claims for damages

relating to the Project, and shall cooperate fully with Owner's insurers, regardless of whether the insurance was arranged by Manager or others. Owner shall provide a copy of such insurance policies to Owner's lenders to the extent required under the applicable loan documents.

7.3 Fidelity/Crime Insurance. The Manager will furnish, at its own expense, fidelity/crime insurance in a principal sum that is at least equal to the gross potential income of the Project for three months and that, as a minimum, is conditioned to protect the Owner and Authority against misappropriation of Project funds by the Manager and its employees. The other terms and conditions of the insurance, and the surety thereon, will be subject to the approval of the Owner.

7.4 Cooperation. Manager shall furnish whatever readily available information is requested by Owner for the purpose of obtaining insurance coverage, and shall aid and cooperate in every reasonable way with respect to such insurance and any loss thereunder.

7.5 Manager's Insurance. At all times during the term of this Agreement, Manager shall maintain worker's compensation insurance in full force and effect, with a responsible insurance company reasonably satisfactory to Owner and to Owner's lenders, and shall furnish Owner with a certificate of insurance evidencing such workers' compensation insurance, in such amounts as may be required by law from time to time. To the extent available in the State of Ohio, such certificate shall have attached thereto endorsements that Owner shall be given at least thirty days' prior written notice of cancellation of, or any material change in, policy. Owner shall not reimburse Manager for Manager's cost of such insurance.

7.6 Subcontractor's Insurance. Manager shall require that all subcontractors working on the Project maintain, at the subcontractor's expense, workers' compensation insurance, in such amounts as may be required by law from time to time. Manager shall be notified promptly in the event Owner waives any of the Requirements in this Section 7.6.

7.7 Indemnification of Owner. Manager shall at all times keep its employees and contractors insured for statutory workers' compensation and other employee benefits required by all applicable laws; and Manager shall maintain employer's liability insurance for an amount not less than \$1,000,000 covering claims and suits by or on behalf of employees and others not otherwise covered by statutory workers' compensation insurance. Owner and its partner's shall be protected in all such insurance by specific inclusion of Owner under an additional insured or alternate employer rider. Manager shall provide Owner with certificates of insurance evidencing that workers' compensation and employer's liability insurance are in force, and providing not less than thirty (30) days' notice to Owner prior to cancellation. Manager will cooperate with Owner and, upon reasonable request, will attend hearings and trials and assist in effecting settlements, securing and giving evidence, and obtaining the attendance of witnesses in the conduct of suits. Manager will not voluntarily settle any suit, make any payment, assume any obligation, or incur any expense regarding said action without the express written consent of Owner.

7.8 Indemnification of Manager. To the extent permitted by law, Owner agrees to defend, indemnify and save harmless Manager from all claims and suits in connection with the Project,

provided that such claims and suits are attributable to bodily injury, sickness, disease or death; or to injury to, or destruction of, tangible property; and such claims and suits arise, or are alleged to arise, in whole or in part, out of any negligent act or omission of Owner, its officers, employees or agents. Owner agrees to include Manager as an additional insured in Owner's general liability policy with respect to the Project, but only while Manager is acting as real estate manager for Owner under this Agreement. Owner shall provide Manager and Investor with a certificate of insurance evidencing such liability insurance, and providing not less than ten (10) days' notice to Manager and Investor prior to cancellation. Manager shall not be entitled to indemnification for any claim caused by the gross negligence or willful misconduct of Manager.

7.9 Survival of Indemnity Obligations. The indemnity obligations contained in this Agreement shall survive the termination of this Agreement.

7.10 Limitation of Liability. Manager agrees that it will not seek recourse against the individual partners, shareholders, directors, officers, employees or agents of Owner or Owner's successors and assigns or any personal assets for satisfaction of any liability with respect to this Agreement.

7.11 Increased Risk. Manager shall give Owner written notice if any facts of which Manager is aware as to a material increase in the risk of casualty loss or a claim of liability in connection with the Project or its operation. Such notice shall be given within five business days of when Manager has knowledge of such facts. The obligation shall be limited to issues on the Project and shall not include occurrences within the surrounding neighborhood.

ARTICLE 8

OWNER'S RIGHT TO AUDIT

8.1 Owner's Right to Audit. Owner and the Authority reserve the right to conduct, or to appoint others to conduct, examinations, at Owner's expense, without notification, of the books and records maintained for Owner by Manager, and to perform any and all additional audit tests relating to Manager's activities hereunder.

8.2 Correction of Discrepancies. Should Owner's or the Authority's employees or appointees discover either weaknesses in internal control or errors in record keeping, Manager shall correct such discrepancies either upon discovery or within a reasonable period of time. Manager shall inform Owner in writing of the action taken to correct such audit discrepancies. Owner shall have the right, within ten (10) days written notice to Manager, to audit all files and accounts pertaining to the Project at Manager's principal office during normal business hours. If such audit reveals a material discrepancy (defined as a discrepancy of more than 2% of each budgeted income and expense line item, as reflected in the annual budget approved by Owner), Manager shall be responsible for promptly correcting such discrepancy within ten (10) days after receipt of notice of same.

ARTICLE 9

REMITTANCE OF FUNDS

9.1 Deposit of Funds. Manager shall deposit immediately upon receipt all security deposits in a separate account designated as such by the Manager for Owner (the "Security Deposit Account"); and in accordance with Section 5.3 herein, shall deposit all rents and other funds collected from the operation of the Project, including any and all advance funds, in a bank approved by Owner, in Owner's accounts for the Project, in the name of the Owner ("Operating Account").

9.2 Security Deposits. Manager shall maintain detailed records of all security deposits and such records shall be open for inspection by Owner's employees or appointees. Manager shall return a tenant's security deposit to such tenant only in accordance with the lease.

ARTICLE 10
NONDISCRIMINATION

10.1 Nondiscrimination. In the performance of its obligations under this Agreement, the Manager will comply with, and will use reasonable efforts to ensure that all subcontractors comply with, the provisions of any Federal, state or local law prohibiting discrimination on the grounds of race, color, sex, military status, national origin, disability, genetic information, age, ancestry, religious creed, handicap, or sexual orientation, including: Title VI of the Civil Rights Act of 1964 (Public Law 88-352, 78 Stat. 241) and all requirements imposed by or pursuant to the Regulations of HUD (24 CFR, Subtitle A, Part 1,) issued pursuant to that Title; regulations issued pursuant to Executive Order 11063; the Fair Housing Act, Title VIII of the 1968 Civil Rights Act, Section 504 of the Rehabilitation Act of 1973 (as amended), the Age Discrimination Act of 1975 and all regulations and administrative instructions implementing these laws.

Among other requirements, Manager agrees to comply with the requirements of Ohio Revised Code §4112.02(H), the Toledo Municipal Code §554.03, and Manager agrees that no person shall, on the grounds of race, religion, sex, color, family status, disability status, national origin, marital status, ancestry, gender identity or sexual orientation, military status or handicap, be excluded from participation in, be denied the benefits of, or be otherwise subject to discrimination with regard to the sale, lease, rental, use or occupancy of the Project. Manager also agrees to comply with the requirements of Ohio Revised Code § 4112.02 and the Toledo Municipal Code §554.02 (each as may be amended) regarding non-discriminatory employment practices with respect to race, color, religion, sex, military status, familial status, disability, national origin, or sexual orientation.

ARTICLE 11
COMPENSATION

11.1 Compensation. The Manager will be compensated for its services under this Agreement by monthly fees, to be paid out of the appropriate Operating Account and treated as Project expenses. Such fees will be payable on the first day of each month of this Agreement. The management fee for the Tax Credit Units (i.e. all units) shall be paid by the Owner to the Manager in an amount of up to **6.0%** of effective gross income per occupied unit (i.e., assuming that all such units are Tax Credit Units with tenants paying the maximum rent allowable under the tax credit program of 30% of 60% of AMGI for the applicable unit size) per occupied

unit (such fee to be prorated for any unit which is occupied for a partial month), such amount to be subject to Investor's approval. In no event will the management fee per unit exceed the maximum management fee allowed under the Applicable RAD Requirements.

Any increase in the fees set forth above will require the prior written consent of any current lender of funds to the Owner.

ARTICLE 12
COOPERATION

12.1 Cooperation. If any claims, demands, suits or other legal proceedings which arise out of any of the matters relating to this Agreement be made or instituted by any person against either Owner or Manager, Owner or Manager shall give to each other all pertinent information and reasonable assistance in the defense or other disposition thereof, at its sole expense.

ARTICLE 13
CONSENT

13.1 Consent. Whenever in this Agreement the consent or approval of Owner or Manager is required, such consent or approval shall not be unreasonably withheld or delayed. Such consent shall be in writing, and shall be duly executed by an authorized officer or agent for the party granting such consent or approval; however, notwithstanding anything in this Agreement to the contrary, if such consent or approval would be required for Manager to comply with the Requirements, Manager shall not be responsible for a failure to comply with the Requirements as a result of Owner's refusal or reasonable delay to so consent or approve.

ARTICLE 14
NOTICES

14.1 Notices. All notices, demands, consents and reports provided for in this Agreement shall be given in writing and shall be deemed received by the addressee on the third day after mailing if mailed by United States Postal Service certified or registered mail, postage prepaid, or on the day delivered if personally delivered at the following addresses:

If to Owner: Parqwood Apartments, L.P.
 435 Nebraska Avenue
 Toledo, OH 43604
 Attn: Demetria M. Simpson

with copy to: Lucas Metropolitan Housing Authority
 435 Nebraska Avenue
 Toledo, OH 43604
 Attn: Demetria M. Simpson

If to Manager: Nelson and Associates, Inc.
5181 Natorp Blvd
Suite 140
Mason, OH 45040
Attn: Ramona M. Hyson

The above addressees may be changed by the appropriate party giving written notice of such change to the other parties.

ARTICLE 15
MISCELLANEOUS

15.1 Assignment. Manager shall not assign its rights under this Agreement without the prior written consent of Owner; and any purported assignment without Owner's prior written consent shall be of no effect.

15.2 Special Power of Attorney. Owner authorizes Manager, as attorney-in-fact for Owner, to enter into and execute leases and rental agreements with respect to the Project on forms approved by Owner; to collect rents and other funds due Owner in Manager's name on Owner's behalf; and to establish and make deposits into and withdrawals from the Security Deposit Account and the Operating Account in accordance with the terms of this Agreement.

15.3 Amendments. This Agreement constitutes the entire agreement between Owner and Manager; and no amendment, alteration, modification or addition to this Agreement shall be valid or enforceable, unless expressed in writing and signed by the party or parties to be bound thereby.

15.4 Headings. All headings herein are inserted only for convenience and ease of reference, and are not to be considered in the construction or interpretation of any provisions of this Agreement.

15.5 Waiver. The waiver of any of the terms and conditions of this Agreement on any occasion or occasions shall not be deemed as waiver of such terms and conditions on any future occasion.

15.6 Illegality. If any provision of this Agreement shall prove to be illegal, invalid or unenforceable, the remainder of this Agreement shall not be affected thereby.

15.7 Relationship. Nothing contained in this Agreement shall be construed to create a relationship of employer and employee between Owner and Manager; it being the intent of the parties hereto that the relationship created hereby is that of an independent contractor. Nothing contained herein shall be deemed to constitute Owner and Manager as partners or in a joint venture.

15.8 Binding Effect. This Agreement shall be binding upon and inure to the benefit of Owner,

its successors and permitted assigns; and shall be binding upon and inure to the benefit of Manager, its successors and permitted assigns.

15.9 Governing Law. This agreement shall be governed by and interpreted in accordance with the laws of the State of Ohio.

15.10 Enforceability. The invalidity of any clause, part or provision of this Agreement shall not affect the validity of the remaining portions thereof. Owner's remedies under this Agreement are cumulative, and the exercise of one remedy shall not be deemed an election of remedies, nor foreclose the exercise of Owner's other remedies. No waiver by Owner of any breach of this Agreement shall be deemed to be a waiver of any other or subsequent breach.

15.11 Execution of Counterparts. For the convenience of the parties, this Agreement may be executed in multiple counterparts, each of which shall constitute a complete original of this Agreement, and may be introduced in evidence or used for any other purpose without the production of any other counterparts.

15.12 Successors and Assigns. This Agreement shall inure to the benefit of, and constitute a binding obligation upon, Owner and Manager and their respective successors and assigns; provided, however, that Manager shall not assign this Agreement, or any of its duties hereunder, without the prior written consent of Owner. In the event Owner's current general partner, or any successor general partner of Owner, is removed as general partner in accordance with the Partnership Agreement, any successor general partner selected in accordance with such Partnership Agreement shall have authority to act hereunder on behalf of Owner.

15.13 Conflict. In the event of any conflict between this Agreement and any Applicable RAD Requirements, then the more restrictive requirements will prevail.

15.14 Confidentiality. All information and data to which the Manager may have access under this Agreement and information and data that are received by the Manager from the Owner shall be treated in confidence. Such information and data shall be used only for purposes in performing the work.

[signature page follows]

In witness whereof, the parties hereto have caused their duly authorized representatives to execute this Agreement as of the date first set forth below.

MANAGER:

Nelson and Associates, Inc.,
an Ohio corporation

By: 

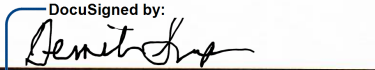
Name: Ramona M. Hyson

Title: President/CEO

OWNER:

Parqwood Apartments, L.P.,
an Ohio limited partnership

By: Parqwood Apartments GP, Inc.,
its general partner,

By: 

Name: Demetri M. Simpson

Title: President

SIGNATURE PAGE
MANAGEMENT AGREEMENT

Exhibit A

Project Documents

- I. REAL PROPERTY AND TITLE
 - 1. Ground Lease
 - 2. Declaration of Land Use Restrictive Covenants for LIHTC
 - 3. Bond Land Use Restriction Agreement
 - 4. Purchase Option
- II. FHA LOAN DOCUMENTS
 - 5. Note (Multistate)
 - 6. Security Instrument
 - 7. Regulatory Agreement
 - 8. Building Loan Agreement
 - 9. Agreement and Certification
 - 10. Operating Deficit Escrow
 - 11. Escrow Agreement for Working Capitol
- III. BOND DOCUMENTS
 - 12. Trust Indenture
 - 13. Loan Agreement
 - 14. Bond Purchase Agreement
 - 15. Tax Regulatory Agreement
 - 16. Preliminary Official Statement
 - 17. Loan Disbursement and Procedures Agreement
- IV. HDAP FUNDS LOAN DOCUMENTS
 - 18. Loan Agreement
 - 19. OHFA Promissory Note
 - 20. Sponsor Promissory Note
 - 21. Open End Mortgage and Security Agreement
 - 22. Assignment of Open End Mortgage
 - 23. Declaration of Restrictive Covenants
 - 24. Pledge Assignment and Security Agreement
 - 25. Subordination Agreement
- V. HOME FUNDS LOAN DOCUMENTS
 - 26. Loan Agreement
 - 27. Promissory Note
 - 28. Open End Mortgage and Security Agreement
 - 29. HOME Declaration of Restrictive Covenants
- VI. SELLER FINANCING LOAN DOCUMENTS
 - 30. Acquisition Mortgage
 - 31. Acquisition Note
- VII. AUTHORITY MULTI-SOURCE LOAN DOCUMENTS
 - 32. Loan Agreement
 - 33. Promissory Note

- 34. Open End Mortgage and Security Agreement
- 35. Assignment of Rents and Leases
- 36. Assignment of Development Documents
- VIII. TCAP/Flex Bridge Loan Documents (OHFA)
 - 37. RTCAP Direct Loan Cognovit Guaranty
 - 38. RTCAP Promissory Note
 - 39. RTCAP Loan Agreement
 - 40. RTCAP Collateral Assignment and Security Agreement
- IX. RAD DOCUMENTS
 - 41. Rental Assistance Demonstration Conversion Commitment
 - 42. Amendment to Rental Assistance Demonstration Conversation Commitment
 - 43. Assignment and Assumption Agreement
 - 44. RAD Use Agreement
 - 45. PBRA HAP Contract
- X. MANAGEMENT DOCUMENTS
 - 46. Management Agreement
 - 47. Management Plan

Exhibit B

HUD Rider to Management
Documents

**HUD ADDENDUM TO MANAGEMENT
AGREEMENT**

THIS ADDENDUM TO THE MANAGEMENT AGREEMENT, made as of the 1st day of April, 2019, by and between Parqwood Apartments, L.P. ("Owner") and Nelson and Associates, Inc. ("Manager").

Whereas, Owner and Manager entered into a Management Agreement effective April 1, 2019 (the "Management Agreement");

Whereas, Owner obtained financing through HUD's construction program pursuant to Section 221(d)(4) of the National Housing Act, as amended;

Whereas, as a condition of the financing HUD requires the following terms to be incorporated into the Management Agreement;

In consideration of the mutual promises and covenants contained herein, Owner and Manager hereby agree that as long as the financing through HUD's 221(d)(4) program remains outstanding:

- I. Management Fees will be computed and paid according to HUD requirements.
2. HUD may require the Owner to terminate the agreement:
 - a. Immediately, in the event a default under the Mortgage, Note, or Regulatory Agreement, attributable to the Manager occurs;
 - b. Upon 30 days written notice, for failure to comply with the provisions of the Management Certification or other good cause; or
 - c. When HUD takes over as Mortgagee in Possession (MIP).
3. The Management Agreement may not be assigned without the prior written approval of HUD.
4. If HUD terminates the Management Agreement, Owner will promptly make arrangements for providing management satisfactory to HUD.
5. HUD's rights and requirements will prevail in the event the Management Agreement conflicts with them.
6. The Manager will turn over to the Owner all of the project's cash trust accounts, investments,

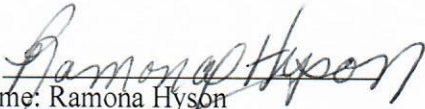
and records immediately, but in no event more than 30 days after the date the Management Agreement is terminated.

7. Any indemnification by the Owner shall be paid solely from surplus cash proceeds as defined in the Regulatory Agreement or the proceeds of an insurance policy.

IN WITNESS WHEREOF, the parties hereto have executed this Addendum as of the day and year first above written.

MANAGER:

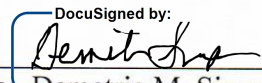
Nelson and Associates, Inc.,
An Ohio corporation

By: 
Name: Ramona Hyson
Title: President/CEO

OWNER:

PARQWOOD APARTMENTS, L.P.,
an Ohio limited partnership

By: Parqwood Apartments GP, Inc.,
an Ohio corporation, its General Partner

By: 
Name: Demetrius M. Simpson
Title: President

SIGNATURE PAGE

PARWOOD APARTMENTS
MANAGEMENT PLAN

Parqwood Apartments (the “Development”) is a 134-unit mixed-income community developed in Toledo, Ohio. The Development includes 134 units of newly rehabilitated housing owned by Parqwood Apartments, L.P. As further provided in that certain Property Management Agreement between Parqwood Apartments, L.P. and Nelson and Associates, Inc., the management agent will be Nelson and Associates, Inc.

SECTION 1
THE PLAN DESCRIPTION

1.1	PROPERTY:	Parqwood Apartments
1.2	LOCATION:	Toledo, Ohio
1.3	NUMBER OF DWELLING UNITS	Total: 134
	Rental Assistance Demonstration (“ RAD ”) Section 8 Project Based Rental Assistance Units That Are Also LIHTC Units (“ RAD Units ”)	134
	Low-Income Housing Tax Credit Units (“ LIHTC Units ”)	134
	RAD Units That Are Also HOME Units (“ HOME Units ”)	7

1.4 DEFINITIONS:

Unless otherwise stated in this Management Plan (the “**Plan**”):

- a. “**Agent**” shall refer to **Nelson and Associates, Inc.**
- b. “**Housing Authority**” or the “**Authority**” shall refer to the Lucas Metropolitan Housing Authority.
- c. “**HUD**” shall refer to the United States Department of Housing and Urban Development.
- d. “**Owner**” shall refer to Parqwood Apartments, L.P., an Ohio limited partnership.

- e. **“Project Units”** shall mean all 134 dwelling units at the Project, of which all 134 units are both RAD Units and LIHTC Units, and of which 41 units are also HOME Units.

1.5 GOVERNING DOCUMENTS AND AUTHORITIES.

- a. The management of the Property will be carried out under the direct supervision of the Agent, as agent of the Owner, at the project site and subject to all applicable laws and regulations (including specifically, but without limitation, laws and regulations cited below) and the documents identified below:
 - 1. The Housing Assistance Payment (HAP) Contract and RAD HAP Rider by and between Authority and Owner governing the RAD Units (the **“RAD HAP Contract”**).
 - 2. The RAD Conversion Commitment (Public Housing and Section 8 Moderate Rehabilitation (Mod Rehab) Program Conversions; First Component) executed by and among HUD, Lender, and Owner (**“RCC”**).
 - 3. The RAD use restriction executed by Owner and HUD with respect to permitted uses of the Project and rights of potential beneficiaries, which use restriction governs in case of any conflict with this Agreement (the **“RAD Use Agreement”**)
 - 4. Ground Lease Agreement, dated of approximately even date herewith, between the Housing Authority as Lessor, and the Owner, as Lessee (the **“Ground Lease”**).
 - 5. Low Income Housing Tax Credit Extended Use Agreement by and between Owner and the Ohio Housing Finance Agency (when executed and recorded) (the **“LIHTC Restrictive Covenants”**).
 - 6. HOME Declaration of Restrictive Covenants by and between the Owner and the Housing Authority (the **“HOME Funds Declaration”**).
 - 7. Amended and Restated Limited Partnership Agreement of Owner.
 - 8. Management Agreement, dated of even date herewith, between the Owner and the Agent (the **“Management Agreement”**).
 - 9. The Fair Housing Act, 42 U.S.C. 3601-19, and regulations issued thereunder, 24 CFR Part 100; Executive Order 11063 (Equal Opportunity in Housing) and regulations issued thereunder, 24 CFR Part 107; and the fair housing poster regulations, 24 CFR Part 110.
 - 9. Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d, and regulations issued thereunder relating to non-discrimination in housing, 24 CFR Part 1.
 - 10. Age Discrimination Act of 1975, 42 U.S.C. 6101-07, and regulations issued thereunder, 24 CFR Part 146.

12. Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. 794, and regulations issued thereunder, 24 CFR Part 8; the Americans with Disabilities Act, 42 U.S.C. 12181-89, and regulations issued thereunder, 28 CFR Part 36.

13. All “**Applicable RAD Requirements**”, including all applicable statutes, regulations and guidance and other requirements issued by HUD for the Rental Assistance Demonstration (“RAD”) program, as they become effective, including but not limited to (1) the Consolidated and Further Continuing Appropriations Act of 2012, (2) all current requirements in HUD handbooks and guides, notices (including but not limited to, Notice PIH 2012-32, Rev. 3 (the “RAD Notice”) as it may be amended from time to time), and Mortgagee letters (if any) for the RAD program, (3) the RCC, RAD HAP Contract and RAD Use Agreement, and (4) and all future updates, changes and amendments thereto, as they become effective.

b. In the event and to the extent of any conflict among the foregoing authorities, the more restrictive requirement shall control.

With respect to any subject matter regarding maintenance or operation of the RAD Units required by statute or HUD regulations to be addressed in written policies of the Housing Authority, to the extent that such areas are addressed in the Management Agreement, this Management Plan, or the Housing Authority-approved form of resident lease for residents of the RAD Units, execution or approval of such documents by Housing Authority shall be deemed to constitute adoption of such policies by the Housing Authority as applicable to the RAD Units.

SECTION 2 MANAGEMENT OF THE PROPERTY

2.1 MANAGEMENT PLAN GOALS.

- a. To provide a desirable, well maintained and affordable place to live for an economically, racially and ethnically integrated resident population, without regard to race, religion, sex, color, family status, disability status, national origin, marital status, ancestry, gender identity or sexual orientation, military status or handicap.
- b. To house eligible, suitable and responsible residents and maximize occupancy and rent collection efforts;
- c. To provide effective and timely services to the residents while responsibly maintaining the Property; and
- d. To maintain effective working relationships with resident association(s), local government including the police department, Lucas County sheriff’s office, other property owners in the surrounding area, lenders and investors.

2.2 MANAGEMENT OPERATIONS.

This Plan shall be implemented in accordance with the governing authorities and documents

referenced in Section 1.5. These authorities and documents require that 134 dwelling units in the Property are to be operated as RAD Project-Based Rental Assistance Units in accordance with all Applicable RAD Requirements (the “RAD Units”); and all of the dwelling units in the Property (including the 134 RAD Units referred to above) are to be operated and maintained as qualified low-income units under Section 42 of the Internal Revenue Code (“IRC”) in conformance with the LIHTC Restrictive Covenants for a period of not less than the compliance period as defined therein. Of such 134 Project Units, 41 shall also be operated as HOME Units in accordance with the HOME Funds Declaration. In addition, the dwelling units of the Property shall be operated and maintained as “housing for older persons” under Section 807(b) of the Fair Housing Act, to be occupied by at least one person 55 years of age or older.

The Agent will continually review the Plan and advise the Owner of changes deemed by the Agent to be necessary or desirable. Any amendments to this Plan shall be subject to the approval and consultation requirements set forth in Section 5 hereof.

- a. The Owner delegates authority for management of the Property on a day- to-day basis to the Agent, subject to Owner’s review and authority to remove Agent as provided in the Management Agreement. The Agent will be charged with specific performance in accordance with the Plan and will, by means of periodic budgets, financial statements, status reports, and through personal conferences, advise the Owner on the operation of the Property.
- b. The Agent has entered into the Management Agreement with the Owner and will be paid a fee for its services as provided therein. The Management Agreement outlines the general responsibilities of the Agent, in part, as follows:
 1. The Agent will prepare an operating budget, set job standards and wage rates previously approved by the Owner, investigate, hire, pay, supervise, and discharge all property personnel necessary to properly maintain and operate the Property.
 2. The Agent will staff the Property in accordance with the highest standards achievable and consistent with this Plan and the Management Agreement and in compliance with the governing documents. On-site staff shall include the positions indicated in Subparagraph 2.4(b) of this Plan.
 3. The general maintenance of the Property will be a high priority. Maintenance items will include, but not be limited to, exterior and interior cleaning, painting, decorating, plumbing, electrical, mechanical, carpentry, and other normal maintenance and repair work necessary to maintain the Property, the welfare of the residents or any other person.

The Agent, subject to the approval requirements set forth in this Plan and the Management Agreement, shall maintain the Property in good order and repair, and with reasonable promptness, make all necessary and appropriate repairs thereto of every kind and nature, including those necessary to comply with changes in any legal requirements, whether interior or exterior, structural or non-structural, ordinary or extraordinary, foreseen or unforeseen.

All maintenance requests from residents, or work orders initiated by management, will be recorded and will become part of the resident's file and a work order record system available for Housing Authority and management review.

4. The Agent will collect all rents, legal charges, maintenance charges, and any other sundry fees due from residents and lessees and all monies due from concessionaires and deposit them in proper accounts.
5. The Agent will furnish the Owner an itemized list of all rents and other income received each month on or before the fifteenth (15th) day of the following month.
6. For monitoring purposes, the Agent will prepare and maintain management data for the RAD Units, as required by the Owner or Housing Authority, including reporting the following information:
 - a. crime statistics on a monthly basis;
 - b. status of lease enforcement efforts, including the number of Notices to Vacate, the number filed in court, the number heard and resulting judgments; and
 - c. any accidents or incidents involving the destruction of property and/or persons.
7. The Agent will maintain a 98% occupancy rate and will attempt at all times to keep the Property fully occupied by maintaining a list of prospective residents, subject to the Tenant Selection Plan requirements outlined in Section 2.5.

Prospective residents for the Project Units will be drawn from the applicable waiting list as indicated in Section 2.5.

8. The Agent will prepare an annual operating budget and will request the approval of the Owner as outlined in the Management Agreement. The Agent will furnish to the Owner a statement of all receipts and disbursements for each month by the fifteenth (15th) day of the following month, accompanied by a brief status summary of the operation of the Property, including, if any, the problems, resident complaints, and abnormal operating conditions reported during that month including actions taken or recommended with time frames to address problems.
9. The Agent will maintain a comprehensive set of accounting records satisfactory to the Owner, the Housing Authority, HUD, the Ohio Housing Finance Agency, and any other regulatory agencies.
10. The Agent will maintain a separate bank account carried in the Owner's name and designated as "Parquod Apartments Operating Account". The funds in this account will be used for the payment of all Property expenses including

mortgage payments, escrows, administrative expenses, operational expenses, maintenance expenses and other expenditures. All deposits from rental, operating subsidies and other income will be placed in this account for disbursements to various vendors, with separate subaccounts maintained to the extent required in the Management Agreement. All checks against this account will be written from the central office of the Agent.

11. The Agent will collect, deposit, and disburse security deposits, if required, in accordance with the terms of each resident's lease. Security deposits will be deposited by the Agent, separate from all other accounts and funds, with a bank or other financial institution whose deposits are insured by the United States. The account will be carried in the Owner's name and designated of record as "Parqwood Apartments Security Deposit Account". The Agent will comply with any applicable state or local law regarding security deposits, including, without limitation, any applicable laws concerning payment of interest thereon.
12. The Agent will investigate and make a full written report of all incidents involving personal injury or property damage relating to the operation of the property, and will cooperate with the insurance carriers to facilitate any claim handling that may be required from time to time.
13. The Agent will maintain insurance in accordance with those requirements in the Ground Lease between the Owner and the Housing Authority as applicable to Agent.
- c. All expenses incurred by the Agent for off-site supervisory staff and non- allocable expenses related to this staff will be paid from the Agent's fee. Expenses charged to the Property and not borne by the Agent from its fee will be consistent with Section 5.7 of the Management Agreement.

2.3 REQUIREMENTS OF HOUSING AUTHORITY.

- a. The Agent will comply with all budgetary and reporting procedures required by the Partnership Agreement and Applicable RAD Requirements.
- b. Resident information and files regarding the RAD Units will remain at the Agent's office. The Agent will permit the Housing Authority or its representatives, for the purpose of audit or compliance monitoring, to have access to the Property and to resident information and files pertaining to the RAD Units. The Agent shall provide HUD or its duly authorized representative access to the Property and to all books and records pertaining thereto, including the right to audit and make copies thereof. For purposes of audits or compliance monitoring, the Agent will provide copies of resident information and files requested by the Housing Authority regarding the RAD Units.
- c. The Agent shall comply with the applicable provisions of HUD's Physical Condition Standards and inspection Requirements, currently codified in 24 C.F.R. Part 5 Subpart G, and HUD's Physical Condition Standards for Multifamily Properties, currently codified in 24 C.F.R. Part 200 Subpart P or any successor or revised system for evaluation of the performance of the RAD Units, by

maintaining all systems or documentation necessary for certification of indicators or components thereof that are applicable to the RAD Units. The Agent is responsible for ensuring that on-site documentation in support of the certification is maintained in site files. The Agent shall furnish any certified questionnaire as to management functions undertaken by the Agent which shall be necessary in connection with computation of the Owner's assessment score and shall make available all supporting documentation to the Housing Authority, Owner or HUD upon request.

- d. The Agent will render to the Owner and the Housing Authority a monthly report on rental activity through software approved by the Owner and HUD for use with the RAD Units, and shall prepare and submit to HUD, subject to Owner approval, all necessary forms for the processing of rental subsidy for the RAD Units, including but not limited to the HUD Form 590059, 52670 and all necessary supporting forms, as may be updated or replaced from time to time. The Agent will provide information on a monthly basis and an annual certification on the following:
 1. vacancies and the duration of vacancies;
 2. unit inspections in accordance with applicable local codes of the City of Toledo, or any successor standard that may be required by HUD;
 3. all emergency deficiencies identified as a result of the inspections shall be corrected or abated during the inspection or within 24 hours; all non-emergency deficiencies identified resulting from the inspection shall be repaired during the inspection or reported as a work order item for repair within 21 calendar days of the inspection date (with an average of not more than 20 calendar days);
 4. major systems inspections utilizing manufacturers specifications, local codes or ordinances, and Housing Authority standards for all systems located on the Property; all emergency deficiencies identified as a result of the inspection shall be corrected or abated during the inspection or within 24 hours; all non-emergency deficiencies identified as a result of the inspection shall be repaired during inspection or deferred to a work order for repair within 21 calendar days of the inspection date (with an average of not more than 20 calendar days);
 5. rent collections and other charges;
 6. other indicators as appropriate.

2.4 PERSONNEL POLICY.

- a. The Agent will give priority to qualified residents of the Property, and then to members of the local community, in the hiring of site personnel. All pertinent information such as qualifications, racial, ethnic and disability status and other required record keeping, remuneration and application procedures will be made available to the Owner.

- b. The staffing requirements for the Property are outlined below. The level of staffing has been adjusted to cover the extensive requirements for marketing and managing the Property with its various federal programs, paper work requirements and marketing needs to achieve the mixed- income goals.

<u>Job Title</u>	<u>FTE</u>	<u>PTE</u>
Site Manager	1	
Leasing Agent	1	
Supportive Services Personnel		1
Maintenance Personnel	2	
Clerical Personnel	1	

- c. All employees will be employees of the Agent and will be both employed and terminated as the Agent deems appropriate.

2.5 TENANT SELECTION PLAN.

The occupancy and tenant selection criteria are a critical component of this Plan. Successful economic integration will be attained through (i) the strict application of income requirements and applicable eligibility requirements of the RAD Units and the HOME Units, and (ii) the consistent and nondiscriminatory application of the this Plan.

- a. Nondiscrimination.

Federal, State and City fair housing laws cover equally all units in the Property. All practices, in every aspect of the Plan and Agent’s activities, must not subject any person to discrimination prohibited by these laws. Among other requirements, Agent agrees to comply with the requirements of Ohio Revised Code §4112.02(H) and the Toledo Municipal Code §554.03, and Agent agrees that no person shall, on the grounds of race, religion, sex, color, family status, disability status, national origin, marital status, ancestry, gender identity or sexual orientation, military status or handicap, be excluded from participation in, be denied the benefits of, or be otherwise subject to discrimination with regard to the sale, lease, rental, use or occupancy of the Property. Agent also agrees to comply with the requirements of Ohio Revised Code § 4112.02 and the Toledo Municipal Code §554.02 (each as may be amended) regarding non-discriminatory employment practices with respect to race, color, religion, sex, military status, national origin, disability, age, religious creed, handicap, or or sexual orientation.

- b. Affirmative Marketing

The Agent will advertise and market Project Units in accordance with an Affirmative Fair Housing Marketing Plan (AFHMP) to be approved by the Owner. The Agent shall also provide potential applicants to the RAD Units with any marketing material provided by the Authority.

All outreach activity will be documented by the Agent, and records maintained that

provide racial, ethnic and gender data on all applicants and residents, consistent with the AFHMP and Applicable RAD Requirements.

c. Unit and Waiting List Classification.

1. The Housing Authority shall provide the Agent with the initial waiting list (the "Initial Waiting List") and shall refer eligible tenants to the Agent in accordance with the RAD Requirements. The Agent shall be responsible for conducting all other eligibility determinations and screening required under the Agreement and this Plan, including screening for eligibility under the Applicable RAD Requirements, LIHTC Restrictive Covenants and HOME Funds Declaration; provided however, that no tenant residing in the Project on the date of this Agreement shall be subject to any eligibility determinations or screening.

Following exhaustion of the Initial Waiting List, the Agent will maintain waiting lists for Project Units at the Agent's offices in accordance with the applicable RAD Requirements.

2. The Agent shall develop and adopt written occupancy standards that take into account the size and number of bedrooms needed based on the number of people in the household. Such policy shall comply with all applicable requirements, including all applicable requirements of the HUD Occupancy Handbook (Handbook 4350.3, Rev. 1), as may be amended, updated or replaced from time to time. Such policy shall be subject to review and approval by the Owner before adoption by the Agent.

Accessible units will be offered to eligible families with disabilities requiring the accessibility features of the unit in accordance with 24 CFR § 8.27. If an accessible unit is offered to an applicant not having handicaps requiring the accessibility features of the unit, the Agent will require such applicant's lease to include a provision requiring such applicant to move to an available non-accessible unit if an applicant with disabilities requiring the accessibility features of such unit is on the waiting list.

d. Application Requirements.

Each applicant for admission to a dwelling unit in the Property must submit to Agent a completed signed full application, including all accompanying consent forms for release of information pertinent to eligibility determination and to evaluation under screening criteria, on forms furnished by Agent.

Adequate procedures will be developed to obtain, verify, and protect the confidentiality of information with respect to each applicant. Information relative to the acceptance or rejection of an applicant on eligibility or suitability grounds, or the grant or denial of any applicable preference, must be documented and placed in the applicant's file.

e. Income and Other Eligibility Qualifications.

Applicants who apply for admission to a RAD Unit and/or a HOME Unit at the Property must meet the applicable eligibility tests set forth herein before any further screening steps are taken regarding selection criteria. These requirements cannot be waived, nor are they subject to mitigating circumstances. Notwithstanding the foregoing, no tenant residing in the Project as of the effective date of the Management Agreement shall be subject to eligibility determination or screening.

1. An applicant for admission to an RAD Unit must meet all eligibility requirements for admission to a RAD Unit, and in accordance with all Applicable RAD Requirements. At the date of this Plan, such requirements include, but are not limited to, the following.

The RAD Units shall be operated and maintained as units designated for occupancy by elderly families and certain near-elderly families in accordance with the Applicable RAD Requirements and as further provided herein.

The applicant must be income-eligible for the type of unit that the applicant will occupy. In selecting eligible tenants, the Agent must comply with the Applicable RAD Requirements with respect to income targeting requirements. As further provided in the RAD HAP, such requirements may include those of Section 16(c)(3) of the United States Housing Act of 1937, as amended from time to time (the “Act”) and 24 C.F.R. § 5.653(c) and Sections 16(c)(4) – (6) of the Act, and which restrict occupancy of the RAD Units to certain percentages of low and very-low income tenants, and which provides that at least 40% of admissions must be below 30% of area median income, as published by HUD.

An income-eligible household is a household whose annual income does not exceed the applicable low-income family income limit for the family size in the area as published periodically by HUD. The Agent shall review and document compliance with the income eligibility requirements of section 16(c)(1) of the Act and 24 C.F.R. § 5.653(d)(1).

No applicant household which is not in eligible status with respect to citizenship or non-citizen immigration status under Section 214 of the Housing and Community Development of 1980, as amended, and HUD’s implementing regulations thereunder (currently appearing at 24 CFR Part 5, Subpart E), shall be eligible for admission to an RAD Unit. The Agent shall verify citizenship or eligible non-citizen status of each family seeking admission to an RAD Unit prior to admission.

2. Applicants for admission to Project Units must meet the income limits of Section 42 of the Internal Revenue Code, as reflected in and determined in accordance with the LIHTC Restrictive Covenants. The Agent will seek third party verification in conformance with the LIHTC Restrictive Covenants and IRS requirements. In addition, applicants to the HOME Units must meet the income limits described in the HOME Funds Declaration as well as the income limits in the Applicable RAD Requirements.

3. Preference for admission to the RAD Units shall be given to elderly and near-elderly persons who are eligible for such admission in accordance with all Applicable RAD Requirements, and as further provided herein.
4. Applicants for admission to RAD Units whose household, in its entirety, consists of all full-time students any of whom do not meet one of the exemptions listed below, will not be considered eligible for housing in such units. For purposes of Section 42 of the Internal Revenue Code, a full time student is one who attends an educational organization which normally maintains a regular facility and curriculum for a minimum of five months per calendar year. Individuals pursuing a full-time course of institutional on- farm training under the supervision of an accredited agency are also deemed to be full-time students. Exemptions:
 - a. Any one of the students actually filed a joint federal income tax return. A copy of the joint federal tax return should be included in the file;
 - b. The household consists of a single parent (with custody) and a school age child or children both of whom are not dependents on a third party;
 - c. The household receives assistance under Title IV of the Social Security Act; or
 - d. A member of the household is enrolled in and receives assistance under the Workforce Investment Act or similar governmental job training program.
5. Applicants for admission to HOME Units must also meet the income and eligibility requirements of the HOME Program (as defined in the HOME Funds Declaration), as applicable.
- f. Selection of applicants for admission to occupancy of RAD Units shall be the function of the Agent, subject to the Owner's approval of the standards and policies to be applied with respect to the RAD Units, which policies shall be consistent with the Applicable RAD Requirements and the LIHTC Restrictive Covenants, the HOME Funds Declaration, and this Agreement.

The Agent shall establish and operate a site-based waiting list for admission to the RAD Units, subject to Applicable RAD Requirements, LIHTC Restrictive Covenants and HOME Funds Declaration and approval by the Authority (and HUD, to the extent required by the Applicable RAD Requirements). Preferences for selection from the site-based waiting list shall be outlined in the tenant selection plan as approved by the Owner (and HUD, to the extent required).

- g. Preferences.

1. Prior Residents.

There is a finite list of people, attached hereto as Exhibit B, who have a priority right to return to the RAD Units in the Property (the “Prior Residents”). The list has been assembled and provided to the Owner by the Housing Authority. The individuals on this list otherwise have to meet all eligibility requirements as defined in 2.5(e) and screening requirement in 2.5(h).

2. The Agent shall provide a preference for elderly and near-elderly persons who are eligible for admission. The Agent shall adopt an elderly preference and continue to have a primary preference for occupancy of designated elderly units by elderly families (62+) (“Elderly Units”) and will focus marketing efforts towards age 62+. The project will create a secondary preference to allow near-elderly disabled families (50+ and disabled) to occupy Elderly Units, in the event they are unable to fill those units with age 62+.

Due to adoption of an elderly preference, the project will designate 10% of the units as “Disabled Units”, which are reserved for non- elderly disabled families. In accordance with RAD Requirements, the agent will adopt a secondary preference for the Disabled Units to admit near-elderly disabled families (50+ and disabled), in the event that Agent is unable to fill those units with non-elderly disabled families.

h. Screening Criteria and Procedures for RAD Units

All applicants for admission to any dwelling unit must satisfy the screening criteria set forth below after consideration (if necessary) of applicable mitigating circumstances, if any. All determinations of satisfaction by an applicant of the screening criteria set forth in paragraph 1 below, or of the adequacy of mitigating circumstances, will be made by the Agent.

1. Screening Criteria for LIHTC Units.

The following screening criteria will be used for the RAD Units and only to judge an applicant’s past practices relating to lease compliance and occupancy issues. Screening criteria will be publicized and made available to applicants upon request. An applicant shall not be rejected unless information available with respect to such applicant demonstrates that such applicant would be likely to interfere with other tenants in such a manner as to diminish their enjoyment of the premises by adversely affecting their health, safety or welfare or their physical environment, or that a substantial risk exists that the applicant will not fulfill its rent obligations timely. Relevant information respecting habits or practices to be considered in making such determinations is as follows:

- a. Applicants must meet basic requirements; have income that does not exceed the income limits and must meet the program definition of an eligible household. In addition, the following factors shall be considered in screening applicants for occupancy:

- (i) Demonstrated ability to meet financial obligations and to pay rent on time. In order not to place families in housing which they obviously cannot afford, a maximum rent and utility obligation to income ratio of 50% will be used to determine an applicant's ability to pay rent. However, in cases where the rent and utility ratio exceeds the 50% ratio and the applicant has a favorable rental history clearly showing that the applicant made similar rent payments in a timely manner, the rent and utility to income ratio may be increased to not more than 65% of the gross income;
- (ii) Applicant's rental history;
- (iii) History of disturbing neighbors or destroying property;
- (iv) Applicant's credit history regarding the payment of rent and utilities;
- (v) Ability to maintain (or with assistance would have the ability to maintain) the housing in a decent and safe condition based on living or housekeeping habits and whether such habits adversely affect the health, safety or welfare of the household and other residents in the community;
- (vi) Ability to meet all obligations of residency;
- (vii) Any household member, including a Live-in Aide, has been evicted from assisted housing within three years as a result of drug-related criminal activity;
- (viii) Any household member has registered sex offender status;

NOTE: Live-In Aides will be screened for drug abuse and criminal activity and must sign required release forms.

- b. **Landlord References:** Landlord references will be required for a minimum of three (3) years, including the present landlord. Unfavorable landlord references may result in removal from the waiting list.
- c. **Credit History:** The Credit reports from the [LeasingDesk] through the property management software [OneSite] described above, orders Credit and Criminal background reports for each applicant 18 years and older. The report will reflect the history and will accept or reject the applicant based upon the criteria initially established by the Agent.

Applicants, whose credit histories are unacceptable, will be declined and removed from the waiting list. An unacceptable credit history is one that reflects delinquent or charge off debt due other apartment communities; or unpaid utility company collections which would prohibit applicant from obtaining services. The lack of credit history or past due payments or

derogatory credit relating to credit cards, medical expenses or student loans will not be considered as grounds for declining an applicant.

- d. Criminal record check, as allowable by law with respect to all applicants for occupancy in LIHTC Units, showing no record of past criminal activity by a household member (including a Live-in Aide) as follows:
 - (i) No record of conviction for manufacturing drugs within the last ten years;
 - (ii) No record of conviction for distributing drugs within the last ten years;
 - (iii) No record of conviction for drug possession within last ten years;
 - (iv) No record of a conviction for a crime against a person within the last ten years;
 - (v) No record of a conviction for a crime against property, or for concealed weapons possession, within the last ten years; and
 - (vi) No record of conviction for murder, attempted murder, rape or attempted rape.

For purposes of clauses (i) - (v) above, the stated time periods shall exclude any period during which the subject applicant was incarcerated.

Before the Agent denies admission to the Property on the basis of a criminal record, the Agent shall notify the head of household of the proposed denial and shall provide the subject of the record and the head of household with a copy of the record and an opportunity to contest the accuracy and relevance of the record. If a criminal record is obtained based on a "name hit" and the putative subject of the record denies that the record applies to him or her, the subject may be required to submit to fingerprinting to verify identify as a condition of further consideration of the household's application for admission.

- c. No credible evidence that a household member is currently engaging in illegal use of a drug, or on the basis of which the Agent has reasonable cause to believe that a household member's illegal use or pattern of illegal use of a drug may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.
- d. No credible evidence on the basis of which the Agent has reasonable cause to believe that a household member's abuse or pattern of abuse of alcohol may threaten the health, safety, or right to peaceful enjoyment of the premises' other residents.
- e. Declaration from head of household that no family member under 18 years of age has been convicted of a crime classifying him or her as an adult. If this declaration cannot be made as to any member, the declaration will provide

consent to the release to the Agent of police information for the purpose of verifying whether any such conviction for that family member exists. If such a consent shall not be sufficient to obtain release of such information to the agent, the parent or guardian of such member shall be required to obtain and submit such information to the Agent.

- f. Satisfactory home visit to applicant's current home by representative of Agent. Home will be inspected, after notice of at least 48 hours, for cleanliness and evidence of acceptable living standard and personal conduct using a standard form for all visits, attached hereto as Schedule I. If the home visit is not possible because applicant lives outside the recognized metropolitan area, personal references will be checked in lieu of the home visit.
2. Mitigating Circumstances. With respect to the LIHTC Units, in all instances where unfavorable information would cause an applicant family to fail to meet the screening criteria set forth above, best efforts will be made to obtain mitigating information from all available sources. Sources of information may include, but are not limited to, the applicant (by means of interview), landlord, employers, family social workers, parole officers, court records, drug treatment centers, clinics, physicians or police departments where warranted by particular circumstances and as allowable by law.

Consideration will be given to the time, nature, and extent of the applicant's conduct (including any reasonable explanation therefor) and to factors which might indicate a reasonable probability of favorable future conduct or financial prospects.

Mitigating factors to be considered include but are not limited to the following:

- a. Negative credit information can be mitigated through third party verification, including but not limited to a creditor, of each item that (i) there has been a payment plan and a three month timely payment history on such plan; or (ii) the applicant has disputed such debt and can provide verification of such dispute.
 - b. Record of unsuitable rental history or behavior can be mitigated if applicant can show evidence of rehabilitation or participation in rehabilitation.
 - c. Evidence of completion of rehabilitation or verification of current rehabilitation to mitigate history of one or more family members with drug or alcohol abuse.
3. Selection. The Agent will select for admission to any LIHTC Unit in the Property, each applicant approved by the Agent under the foregoing screening criteria, after consideration of mitigating circumstances if necessary, subject to unit availability, in accordance with the applicable waiting list order and to final verification of income and other eligibility requirements described above.

When an applicant is selected for admission, the applicant shall be notified of the approximate date of occupancy, insofar as that date can be reasonably determined.

4. Rejection. An applicant shall be rejected for admission to a LIHTC Unit if (i) the applicant fails to meet applicable income or eligibility criteria, or (ii) the Agent determines that the applicant fails to meet the screening criteria set forth above, after consideration of mitigating circumstances.

The Agent will promptly notify a rejected applicant in writing of its rejection, stating the reason therefor and advising the applicant of his or her right to request a meeting, within fourteen (14) days, with a representative of the Agent other than the individual who made the initial determination. If the applicant requests such a meeting, the Agent will give the applicant a final decision, in writing, within five (5) days following the applicant's meeting with the Agent's representative.

2.6 RESIDENT ORIENTATION.

- a. Resident orientation for all new residents will be conducted by the Agent and begin during the application stage and continue through the initial move-in inspection of the dwelling unit. As residents are accepted for occupancy, an orientation session will be conducted with each family. That meeting will include dialogue with the family regarding its interest and expectations regarding community life on the Property.
- b. The orientation program will cover both the resident's responsibilities and the Agent's responsibilities relating to the lease, rules and regulations and Property policies, including lease termination. Hands-on instructions on the operation of the dwelling unit will be provided when the joint move-in inspection of the dwelling unit is conducted with the resident. Residents will also be informed that the purpose of the move-in inspection is to record the condition of the unit prior to occupancy for comparison with a joint move-out inspection that occurs if resident's lease is terminated for any reason. After such move-in inspection, the Agent will furnish the resident, in writing, a statement of condition of the premises and the equipment provided. The statement shall be signed by an official of the Agent and signed by the resident to acknowledge that it has been received.
- c. The Agent will conduct semi-annual inspections of all units. The Agent shall inspect the condition of the unit, the equipment within, and any areas under the resident's control.
- d. The Agent shall inspect the premises at the time the resident vacates and furnish the resident a statement of any charges. The Resident shall be informed of the date and time of this inspection at least 7 days prior to move-out and afforded an opportunity to participate in this inspection unless the resident vacates without notice to the Agent.

2.7 RENT DETERMINATION AND COLLECTION POLICIES AND PROCEDURES.

- a. The Agent will conduct all examinations and reexaminations of income required of applicants for and occupants of the RAD Units and will make all rent determinations consequent thereon, in accordance with all applicable requirements, including all Applicable RAD Requirements and with respect to, without limitation, matters such as inclusions or exclusions from income, minimum rents, and methods for determination of flat rents and family hardships, provided that such determinations shall not be conflict with Section 42 of the Code or the LIHTC Restrictive Covenants.
- b. Rent payments will be made at the site management office, online or at an address otherwise provided on the tenant's monthly rent statement. Payments must be made in the form of check or money order. The Agent will encourage timely payment of rent.
- c. Rent is due and payable on the first calendar day of the month and considered delinquent if not received by the seventh calendar day of the month. A late charge will be assessed after the seventh day of the month in accordance with the lease.
- d. Partial payment of rent will not be accepted.
- e. On the eighth business day of the month, the Agent will generate a delinquency report and send individual letters notifying delinquent residents of the need to achieve zero balance within five days from receipt of letter. If resident fails to pay by date specified, site staff will attempt to make personal calls or contacts to correct the delinquency.
- f. A lawsuit for rent and possession will be initiated on the 20th day of the month in which the delinquency occurred. For all units, such notice will provide the tenant with specific grounds for termination, and will inform the tenant with his or her right to make a reply and of his or her right to a grievance hearing.
- g. If Agent's Site Manager determines that a family needs assistance with budget planning or other financial problems, the family may be referred to appropriate social services programs and to the Housing Authority's Community and Supportive Services ("CSS") Office.

2.8 LEASE ENFORCEMENT.

- a. The Agent will use a lease form such as attached hereto as Exhibit A or such other form that has been approved by the Owner and HUD and is in conformance with the Applicable RAD Requirements and the Internal Revenue Code for all units and HOME Funds Declaration for the HOME Units. The Agent will ensure full compliance with the terms of the lease for all residents. All provisions of the rental agreement will be explained thoroughly by the Agent's site staff members prior to the time the agreement is signed by a tenant. Voluntary lease compliance will be emphasized.
- b. The Agent will lawfully terminate any tenancy when there is sufficient cause

(including, but not limited to, nonpayment of rent) for such termination under the terms of the resident's lease.

- c. The Agent will consult with legal counsel to bring actions for eviction and to execute notices to vacate and judicial pleadings incident to such actions; provided, however, that the Agent shall keep the Owner informed of such actions and follow such instructions as the Owner may prescribe for the conduct of any such action. Attorneys' fees and other necessary costs incurred in connection with such actions will be paid out of the Operating Account (as defined in paragraph 2.2(a) (10) hereof) as Property expenses.
- d. The Agent will provide written notice of lease termination in accordance with the provisions of the applicable lease form and with any applicable requirements of local law. Such termination must provide for the right to an informal hearing in accordance with all Applicable RAD Requirements.
- e. Lease termination initiated as a result of a resident's creation or maintenance of a threat to the health and safety of other residents or Agent's employees, or engaging in drug or criminal activity, shall be excluded from the grievance procedure to the extent permitted by the Applicable RAD Requirements.

If the Agent proposes to terminate a lease, the resident will be given written notice of the proposed termination. If the termination is for reasons other than criminal or drug-related activity or non-payment of rent, the termination notice must be sent to the resident. All evictions must be conducted consistent with Ohio State law.

- f. Residents will be permitted to own or have pets in the unit only in accordance with the pet policy established by the Owner and in the form required by HUD, as in effect from time to time, which shall be administered with respect to the RAD Units on behalf of the Owner by the Agent.
- g. Transfers of residents of RAD Units from one unit to another may be approved by the Agent in order to maintain consistency with the occupancy standards set forth in this Agreement, but only if such transfer may be accomplished in a manner which complies with Section 42 of the Code and the LIHTC Restrictive Covenants. Transfers to larger units maybe approved only when the family size has increased through birth, marriage, legal adoption, award of custody, reconciliation of separated spouses, return of a minor to legal custody of the household, or for approved medical or disability purposes. Transfer to a smaller unit may be required, subject to compliance with Section 42 of the Code and the LIHTC Restrictive Covenants, when a decrease in family composition renders the family no longer eligible for the unit size it occupies.

2.9 MAINTENANCE AND REPAIR.

The Agent will maintain the Property in good repair in accordance with this Plan and local codes and in a condition at all times acceptable to the Owner. This will include, but not be limited to, exterior and interior cleaning, painting, heating, ventilating, decorating, plumbing, electrical, mechanical, structural roof, walls and foundation, carpentry, grounds care, and other normal

maintenance and repair work necessary to maintain the Property and the welfare of the residents.

A schedule of maintenance charges will be posted at the rental office and distributed to residents at move in, or at any other time that changes are made to the schedule of charges.

Incident thereto, the following provisions will apply:

- a. The Agent will complete routine and preventive maintenance activities in the most cost effective and efficient manner as possible.
- b. The Agent will contract with qualified independent contractors for extraordinary repairs beyond the capability of regular maintenance employees.
- c. The Agent will systematically investigate all service requests from residents, take such action thereon as may be justified and will keep records of the same. Service requests that identify a condition that is an imminent threat to health or safety shall be repaired or abated within 24 hours. Best efforts will be made to service other work requests within one (1) business day of receipt of the request. Serious complaints regarding the condition of the Property will be reported to Owner for investigation.
- d. The Agent is authorized to purchase all materials, equipment, tools, appliances, supplies and services reasonably necessary for proper maintenance and repair. The Agent will secure for and credit to the Owner any discounts, commissions or rebates obtained as a result of such purchases.
- e. Notwithstanding any of the foregoing provisions, the prior approval of the Owner will be required for any expenditure which exceeds \$10,000 in any one instance for labor, materials, services, or other in connection with the maintenance and repair of the Property, except for recurring expenses within the limits of the approved annual budget or emergency repairs involving manifest danger to person or property or required to avoid suspension of any necessary service to the Property. Emergency repairs undertaken without otherwise required Owner approval will be reported to the Owner as promptly as possible, but always within 72 hours.

2.10 UTILITIES AND SERVICES.

- a. The Agent will make site arrangements for water, electricity, gas, trash disposal, exterminating services, cable television and telephone service. The Agent will make such contracts as may be necessary to secure such utilities and services, acting as agent for the Owner.
- b. The Agent will secure a leave-on policy with the gas and electric utility companies to ensure that utilities to the unit are not interrupted for lack of payment or abandonment.

2.11 OPERATING ACCOUNT.

All disbursements from the Operating Account will be governed by the terms of the Management Agreement.

2.12 BUDGETS.

Annual operating and reserve for replacement budgets for the Property for each Development Fiscal Year will be approved by the Owner and the Housing Authority.

- a. The Agent (i) will prepare and submit a recommended operating, reserve for replacements, and capital expenditures budget for each Property fiscal year at least one hundred twenty (120) days prior to the commencement of such fiscal year. Recommended budgets submitted pursuant to clause (i) of the preceding sentence shall be approved or revised by Owner not later than sixty days after submission thereof by the Agent.
- b. The Owner will promptly inform the Agent of any changes incorporated in the approved Property fiscal year budget and the Agent will keep the Owner informed of any anticipated deviation from the receipts or disbursements stated in the approved budget.

SECTION 3 RESIDENT AND MANAGEMENT RELATIONSHIPS

3.1 THE ROLE OF RESIDENTS IN THE MANAGEMENT OPERATIONS.

- a. Resident participation in the management operations can be used as an effective tool for the Agent. Where possible, residents will be considered for temporary and permanent positions in the site management team.
- b. There are areas in the management operation that the Agent has identified as useful roles for residents to participate. The Agent will encourage participation in the following areas and will invite ideas for further involvement.
 1. Resident screening: Residents may participate in home visits, because residents may provide a more objective view point and may make the visit feel less invasive.
 2. Resident orientation. It is very important that new residents feel welcomed into the community. Moving one's home can be stressful and it is the Agent's goal to reduce this anxiety through the assistance of the other residents in the process. Existing residents can best describe the surrounding services and the operation of the apartments and as such, resident participation in the development and implementation of the orientation program will be sought by the Agent.

3.2 GRIEVANCE PROCEDURES

The Agent shall strictly enforce compliance with the lease and rules and regulations at the Property. This is outlined in Section 2.9, Lease Enforcement. Grievance procedures will not be available in any case concerning a termination of tenancy or eviction which is excluded from grievance procedures under the Applicable RAD Requirements. The grievance procedure

is described at Attachment 3 to the tenant leases for the RAD Unit that are attached hereto as Exhibit A. Such tenant leases and all of their exhibits are incorporated by reference herein.

3.3 SOCIAL SERVICES PROGRAM

The Agent will work with existing social agencies and will maintain a list of resources that address the varying needs of the mixed income population of the Property. Where feasible, Agent will enlist the support of other resident and community organizations to serve the needs of residents.

3.4 SECURITY

- a. The Agent understands the difficult balance of providing an environment that can maximize resident and local government involvement in steps to best promote safety for all who come on to the Property. The Agent will rigorously promote this involvement while meeting its own obligation to thoroughly screen applicants and enforce lease compliance.
- b. The Agent will enlist the residents, the local police department, and other local organizations in devising and implementing security initiatives that may include hiring private security or providing incentives for police officers to reside on the Property.

SECTION 4 AFFIRMATIVE ACTION PROGRAM

The Agent shall fully comply with all equal opportunity laws, as partially summarized in Section 1.5, Governing Documents, in renting apartments and in hiring employees and contractors. As matter of company policy, all employees of the Agent will abide by the spirit, as well as the letter, of those laws.

SECTION 5 AMENDMENT OF PLAN

This Plan shall be reviewed from time to time to maintain conformance with applicable federal, state and local laws, regulations, codes and court decisions, and with current needs of the Property and its residents.

This Plan may not be amended except by an instrument in writing signed by the Agent and approved in writing by the Owner.

SECTION 6 EXHIBITS

The Exhibits referred to in this Plan and attached hereto are and are expressly a part of this

Plan as if fully set forth herein.

Exhibit A: Tenant Lease and Addenda

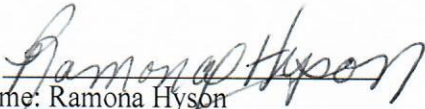
Exhibit B: List of Applicants with a Priority Right of Return

[DOCUMENT EXECUTION OCCURS ON SUBSEQUENT PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Addendum as of the day and year first above written.

MANAGER:

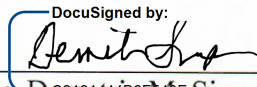
Nelson and Associates, Inc.,
An Ohio corporation

By: 
Name: Ramona Hyson
Title: President/CEO

OWNER:

PARQWOOD APARTMENTS, L.P.,
an Ohio limited partnership

By: Parqwood Apartments GP, Inc.,
an Ohio corporation, its General Partner

By: 
Name: Demetria M. Simpson
Title: President

SIGNATURE PAGE

EXHIBIT A
Tenant Lease and Addenda

EXHIBIT B
List of Applicants with a Priority Right of Return

See Attached

<u>Alternate #</u>	<u>Date Moved</u>	<u>New location (need address)</u>	<u>Programs qualified for such as FSS or EID?</u>	<u>Note Section</u>	<u>Temporary or Permanent Move</u>
	7/18/2014	Moved to Dorrell Manor # 314			Temporary
419-262-8963	6/3/2014	Moved to Cranes Landing			Temporary
419-276-3855	7/23/2014	Moved Parqwood # 203			Permanent
	7/14/2014	Moved Parqwood # 123			Permanent
567-322-5691		3940 Jackman Rd. #10			Permanent
	6/27/2014	Moved to Executive Towers			Temporary
419-367-3887	7/8/2014	Moved to 3940 Jackman Rd #19			Permanent
	9/23/2014	Moved to Central Colony Apartments			Temporary
	7/12/2014	Moved to Executive Towers			Permanent
419-724-0580	8/21/2014	Moved to Parqwood # 116			Permanent
	6/12/2014	Moved to Cranes Landing			Temporary
419-246-1753	9/21/2014	Moving to Parqwood # 141			Temporary
	7/11/2014	Moved to West Ridge			Permanent
	9/2/2014	Porting to San Bernadito California			Permanent
	6/27/2014	Moved to 719 #2 W. Bancroft			Permanent
	6/18/2014	Moved to Parqwood # 238			Temporary
		Vacated 09/01/14		in lieu of eviction	Permanent
	6/24/2014	Moved to 417 Martin Lane			Temporary
	8/1/2014	Moved to Executive Towers			Temporary
	7/9/2014	Wants to live with family			Temporary
	5/18/2014	RESIDENT PASSED AWAY			Permanent
	7/1/2014	Moved to 286 Parker Avenue			Permanent
	6/17/2014	Moved to Swan Cove			Permanent
	8/11/2014	Moving to 1523 Ontario		Voucher from 1 to 2	Permanent
	8/25/2014	Moved to Ashley Arms # 509			Temporary
	4/25/2014	Glendale Terrace # 49			Permanent
	7/14/2014	Moved to Parqwood # 102			Permanent
	6/13/2014	Moved to 2435 W. Bancroft #3			Temporary
	7/14/2014	Moved to Parqwood # 108			Permanent
	6/26/2014	Moved to Flory Gardens			Temporary
	6/4/2014	Moved to 2450 Central #13			Permanent
	5/27/2014	Closed on House 05/13/14			Permanent
	7/2/2014	Moved Cranes Landing			Permanent
	5/22/2014	Moved to 419 Martin Lane			Temporary
	8/26/2014	Moved to Cranes Landing			Permanent
	7/14/2014	Moved Parqwood # 126			Permanent
	6/19/2014	Moved to Glendale Terrace # 26			Permanent
	6/17/2014	Moved to Vistula Manor # 213			Temporary
		Moved out August 2, 2014		in lieu of eviction	Permanent
	7/7/2014	Moved to 1048 Gribbin Lane 07/07			Permanent
		Moved to 1048 Gribbin Lane 07/07			
	7/14/2014	Moved to Parqwood # 141		Voluntarily moved out 09/16/14	Permanent
	7/24/2014	Moved to Glendale Terrace # 84			Permanent