

TOOELE COUNTY CORPORATON
CONTRACT # 17-01-02

Danville Development Corporation
7351 S. Union Park Ave. Ste. 250
Midvale, UT 84047

MANAGEMENT AGREEMENT

This agreement is made this First day of January, 2017, between **Tooele County**, (the "Owner") and **Danville Development Corporation** (the "Agent").

1. Appointment and Acceptance. The owner appoints the agent as exclusive agent for the management of the property described in section 2 of this Agreement, and the agent accepts the appointment, subject to the terms and conditions set forth in this Agreement.
2. Description of properties. The property to be managed by the agent under this Agreement is **Tooele County Housing**, a housing development consisting of the land, buildings, and other improvements (the "Property").
3. Basic Information. As soon as possible, the Owner will furnish the Agent with a complete set of plans and specifications and copies of all guaranties and warranties pertinent to construction, fixtures, and equipment. With the aid of this information and through inspection by competent personnel, the Agent will thoroughly familiarize itself with the character, location, construction, layout, plan and operation of the Property, especially the electrical, heating, plumbing, air-conditioning and ventilating systems, the elevators, and all other mechanical equipment.
4. Rentals. The Agent will offer for rent and will rent the dwelling units in the Property. Incident thereto, the following provisions will apply:
 - A. **Tooele County** and its partners will maintain a list of prospective tenants to fill vacancies for apartment units and will aggressively market the property to fill vacancies. For the properties that Local Homeless Coordinating Committee (LHCC) determines placement, Agent will fill vacancies with those tenants that are referred for placement.
 - B. The Agent will show the premises to prospective tenants.
 - C. The Agent will process applications for rentals. If an application is rejected, the applicant will be notified of the reason for rejection, and a copy of the rejection letter will be kept on file for three (3) years.
 - D. The Agent will prepare all dwelling leases, and will execute the same in the Property name. The terms of all leases will comply with, the pertinent provisions of the HUD grant. Dwelling lease will be in a form

approved by the Owner.

- E. The Agent will negotiate conventional leases and concession agreements, and will execute the same in the name of the property.
 - F. The Agent will collect, deposit, and disburse security deposits in accordance with the terms of each tenant's lease. The amount of each security deposit will be one month's contract rent. Security deposits will be deposited by the Agent in an account designated by Tooele County. This account will be designated of record bearing the "**Tooele County Housing Security Deposit Account**".
5. Collection of Rents and Other Receipts. The Agent will collect when due all rents, charges and other amounts receivable on the Property's account in connection with the management and operation of the Property. Such receipts (except for tenants' security deposits, which will be handled as specified in Subsection 4.F above) will be deposited in an account designated by Tooele County. These accounts will be designated of record bearing the "**Tooele County Housing Operating Account**".
6. Enforcement of Leases. The Agent will secure full compliance by each tenant with the terms of his/her lease. Voluntary compliance will be emphasized, and the Agent, utilizing the services of the Social Services Director, and Case Workers, when available, will counsel tenants and make referrals to community agencies when possible and deemed appropriate by the Agent, to the end that involuntary termination of tenancies may be avoided to the maximum extent consistent with sound management of the Property. Nevertheless, and subject to the pertinent procedures prescribed in the Management Plan, the Agent may lawfully terminate any tenancy when, in the Agent's judgment, sufficient cause (including but not limited to nonpayment of rent) for such termination occurs under the terms of the tenant's lease. For this purpose, the Agent is authorized to consult with legal counsel, to bring actions for eviction and to execute notices to vacate and judicial pleadings incident to such actions; provided, however, the Agent keeps the Owner informed of such actions. Attorney fees and other necessary costs incurred in connection with such actions will be paid out of the Operating Account as Property expenses.
7. Maintenance and Repair. The Agent will maintain the Property in good repair in accordance with the local codes, and in a condition at all times acceptable to the Owner, including but not limited to painting, decorating, plumbing, carpentry, grounds care, and such other maintenance and repair work as may be necessary, subject to any limitations imposed by the Owner in addition to those contained herein.

Incident thereto, the following provisions will apply:

- A. Special attention will be given to preventive maintenance and, to the greatest extent feasible, the services of regular maintenance employees will be used.
 - B. The Agent will contract with qualified independent contractors for the maintenance and repair of air-conditioning systems and elevators, and for extraordinary repairs beyond the capability of regular maintenance employees.
 - C. The Agent will systematically and promptly receive and investigate all service requests from tenants or program staff, take such action thereon as may be justified, and will keep records of the same. Emergency requests will be received and serviced on a twenty-four (24) hour basis. Complaints of a serious nature will be reported to the Owner after investigation.
 - D. The Agent is authorized to purchase all materials, equipment, tools, appliances, supplies and services necessary to proper maintenance and repair.
 - E. Notwithstanding any of the foregoing provisions, the prior approval of the Owner will be required for any expenditure which exceeds **Two Thousand Dollars (\$2,000)** in any one instance for labor, materials, or otherwise in connection with the maintenance and repair of the Property, except for recurring expenses within the limits of the operating budget or emergency repairs involving manifest danger to persons or property, or required to avoid suspension of any necessary service to the Property. In the latter event, the Agent will inform the Owner of the facts as promptly as possible.
 - F. The Agent will physically inspect each unit prior to commencement of occupancy by any tenant and at least semiannually thereafter.
8. Utilities and Services. In accordance with the operating budget, the Agent will make arrangements for water, electricity, gas, sewage and trash disposal, vermin extermination, decorating, laundry facilities, and telephone services. The Agent will make such contracts as may be necessary to secure such utilities and services.

9. Employees. All personnel will be employees of the Agent, and will be hired,

paid, supervised, and discharged through the Agent, subject to the following conditions:

- A. Property Manager will have duties of the type usually associated with his/her position, and will be directly responsible to the Agent's Operations Director or other officer appointed by the Operations Director.
- B. Compensation (including fringe benefits) payable to the Property Manager, maintenance and other staff, and for all local, state, and federal taxes and assessments (including but not limited to Social Security taxes, unemployment insurance and workman's compensation insurance) incident to the employment of such personnel, shall be paid out of the property operating account as a project expense.

10. Disbursements from Operating Account

- A. From the funds collected and deposited by the Agent in the Operating Account pursuant to Section 5. **Tooele County** will make the following disbursements promptly when payable:
 - (1) Reimbursement to the Agent for compensation payable to the employees specified in Subsection 9 B, above, and for the taxes and assessments payable to local, state, and Federal governments in connections with the employment of such personnel.
 - (3) All sums otherwise due and payable by the Owner as expenses of the Property authorized to be incurred by the Agent under the terms of this Agreement, including compensation payable to the Agent, for its service hereunder.

11. Budgets. Annual operating budgets for the Property will be as approved by the Owner. In addition to preparation and submission of a recommended operating budget for the initial fiscal year the Agent will prepare a recommended operating budget for each subsequent fiscal year beginning during the term of this Agreement, and will submit the same to the Owner at least thirty (30) days before the beginning of the fiscal year. The Owner will promptly inform the Agent of any changes incorporated in the approved budget, and the Agent will keep the Owner informed of any anticipated changes from the receipts or disbursements stated in the approved budget.

12. Fidelity Bond. The Agent will furnish, at its own expense, a fidelity bond which is conditioned to protect the Owner and the Consenting Parties against misappropriation of Property funds by the Agent and its employees. The other terms and conditions of the bond, and the surety thereon, will be subject to the approval of the Owner and the Consenting Parties.

13. Bids and Purchase Discounts, Rebates or Commissions, etc., The property Owner and Management Agent agree to obtain contract materials, supplies and services at the lowest possible cost and on the terms most advantageous to the property and to secure and credit to the property all discounts, rebates or commissions obtainable with respect to purchases, service contracts and other transactions on behalf of the property. The Property Owner and the Management Agent agree that all goods and services purchased from individuals or companies having an identity-of-interest with the Property Owner or Management Agent shall be purchased at costs not in excess of those that would be incurred in making arms-length purchases on the open market. The Management Agent shall solicit written cost estimates (i.e., bids) from at least three contractors or suppliers for any work item which the Property Owner or the Secretary estimates will cost \$20,000 or more and for any contract or ongoing supply or service arrangement which is estimated to exceed \$20,000 per year. The Management Agent agrees to accept the bid which represents the lowest price taking into consideration the bidder's reputation for quality of workmanship or materials and timely performance and the time frame within which the service or goods are needed. For any contract or ongoing supply or service arrangement obtainable from more than one source and estimated to cost less than \$20,000, the Management Agent shall solicit verbal or written cost estimates, as necessary to assure that the property is obtaining services, supplies, and purchases at the lowest possible cost. The Management Agent must make a written record of any verbal estimate obtained. Copies of all required bids and documentation of all other written or verbal cost comparisons made by the Management Agent shall be made part of the property's records and shall be retained for three years from the date the work was completed. This documentation shall be subject to inspection by the Secretary or his/her designee and the Management Agent agrees to submit such documentation upon request.
14. Insurance. Insurance will be carried with respect to the Property and its operations, and the Agent will cause such insurance to be placed and kept in effect at all times. The Tooele County will pay premiums out of the Operating Account, and premiums will be treated as operating expenses. All insurance will be placed with such companies, on such conditions, in such amounts, and with such beneficial interests appearing thereon as shall be acceptable to the Owner and Consenting Parties, and shall be otherwise in conformity with the mortgage; provided that the same will include public liability coverage, with the Agent designed as one of the insured, in amounts acceptable to the Agent as well as the Owner and the Consenting Parties. The Agent will investigate and furnish the Owner with full reports as to all accidents, claims and potential claims for damage relating to the Property, and will cooperate with the Owner's insurers in connection therewith.
15. Compliance with Governmental Orders. The Agent will take such actions as

may be necessary to comply promptly with any and all government orders or other requirements affecting the Property, whether imposed by Federal, State, County or Municipal authority, subject however, to limitation stated in Subsection 9.E with respect to repairs.

Nevertheless, the Agent shall take no such action so long as the owner is contesting, or has affirmed its intention to contest, any such order or requirements, within seventy-two (72) hours from the time of their receipt.

16. Nondiscrimination. In the performance of its obligations under this Agreement, the Agent will comply with the provisions of any federal, state or local law prohibiting discrimination in housing on the grounds of race, color, sex, creed or national origin, including Title VI of the Civil Rights Act of 1964 (public Law 88-352, 78 State. 241), all requirements imposed by or pursuant to the Regulations of the Secretary (24 CFR, Subtitle A, Part 1) issued pursuant to that Title; regulations issued pursuant to Executive Order 11063, and Title VIII of the Civil Rights Act.
17. Agent's Compensation. The Agent will be compensated for its services under this Agreement by monthly fees, to be paid out of the Operating Account and treated as Project expenses. Such fees will be payable on the 25th day of each month for every month the contract is in force.
 - A. Management Fees will be computed at \$25 per unit per month.
18. Term of Agreement. This Agreement shall be in effect upon signing and remain in effect until cancelled by HUD, the Owner, or the Agent.
 - A. This agreement may be terminated by the mutual consent of the principal parties as of the end of any calendar month, provided at least Sixty (60) days advance written notice thereof is given to each of the consenting parties.
 - B. In the event a petition in bankruptcy is filed by or against either of the Principal Parties, or in the event either makes an assignment for the benefit of creditors or takes advantage of any insolvency act, the other party may terminate this agreement without notice to the other, provided prompt written notice of such termination is given to each of the Consenting Parties.
 - C. This Agreement constitutes the entire agreement between the Owner and Agent with respect to the management and operation of the Property, and no change will be valid, unless made by supplemental written agreement, executed and approved by the Consenting Parties as well as the Principal Parties.

D This Agreement has been executed in several counterparts, each of which shall constitute a complete original Agreement, which may be introduced in evidence or used for any other purpose without production of any of the other counterparts.

IN WITNESS WHEREOF, the Principal Parties (by their duly authorized officers) have executed this Agreement on the date first above written.

OWNER:

Wasatch County

BY:

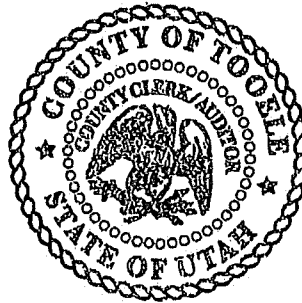
Wade B. Stur

TITLE:

Co. Commissioner

Witness:

Marilyn K. Sillette



AGENT:

Lisa M. Jones
(Name)

7351 South Union Park Avenue #250
(Street Address)

Midvale, Utah 84047
(City, State, Zip Code)

87-0355179
(Federal Tax ID Number)

Lisa M Jones
(Signature, Title)

Witness:

Nanette Nager

