

MANAGEMENT CERTIFICATION FOR COINSURED PROJECTS
(For Owner-Managed Projects)

Project Name: _____ PHA Project No.: _____

Acting on behalf of _____, the Project Owner, I make the following certifications and agreements to the Lender regarding management of the above project.

- 1. I certify that:
 - a. the ownership entity listed above will manage this project for the fee described below. No management agent will be hired without the Lender's prior written approval.
 - 1) Fee: _____
 - 2) Calculation of Estimated Yield (per-unit-per-annum): _____
 - b. the Owner will comply with the Lender's requirements and the HUD directives applicable to this project.
 - c. the Owner has read, understands and will comply with this Project's Regulatory Agreement, Mortgage and Mortgage Note, and any Workout or Modification Agreement.
- 2. I also certify that I have obtained, and will at all times maintain, the following types of insurance policies. These policies will list the Lender and the Secretary as additional payees.
 - a. fidelity bond coverage for all individuals who will handle the project's cash. Coverage will be at least equal to the project's gross potential income for two months.
 - b. hazard insurance coverage in an amount required by the project's Mortgage.
 - c. public liability coverage.
- 3. I understand that, with 30 days advance written notice, HUD or the Lender can terminate this self-management arrangement and require the Owner to hire a Management Agent. In the event HUD or the Lender requires the Owner to do so, I agree to promptly select an Agent that will be acceptable to HUD and the Lender. Upon receiving the Lender's approval of the Agent, I agree to immediately turn over to the new

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APPENDIX 8

Agent all of the project's cash, trust accounts, investments, and records.

4. I further certify that the Management Agent Profile, which was submitted on _____, is accurate and current as of the date of this Certification.

WARNING: 18 U.S.C. 1001 provides, among other things, that whoever knowingly and willingly makes or uses a document or writing containing any false, fictitious, or fraudulent statement or entry, in any matter within the jurisdiction of any department or agency of the United States, shall be fined not more than \$10,000 or imprisoned for not more than five years, or both.

12 U.S.C. 1715z-4 provides in part: "Whoever, as an owner of a property which is security for a mortgage (covering multifamily housing, as defined in the regulations of the Secretary) or as a stockholder... beneficial owner... trust...or as an officer, director or agent of any such owner (1) willfully uses or authorizes the use of any part of the rents or other funds derived from the property covered by such mortgage in violation of a regulation... (2) willfully and knowingly uses or authorizes the use, while such mortgage is in default, of any part of the rents or expense... shall be fined not more than \$5,000 or imprisoned not more than three years or both.

Signed By:

Project Owner's Representative

Signature

____/____/____
Date

Name

Title

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APPENDIX 8-a

Project
Name: _____

FHA Project
No.: _____

Acting on behalf of _____, the Project Owner, and _____, the Management Agent, we make the following certifications and agreements to the Lender regarding management of the above project.

1. We certify that:

- a. the Owner and Management Agent have executed a Management Agreement for this project. This Agreement provides that the Management Agent will manage the project for the term and fee described below. Changes in the term or fee will be implemented only in accordance with the Lender's requirements.

1) Term of Agreement: _____

2) Fee: _____

3) Calculation of Estimated Yield (per-unit-per-annum):

- b. the Owner and Agent will comply with any Lender's requirements and the HUD directives applicable to this project.
- c. the Agent has read, understands and will comply with this Project's Regulatory Agreement, Mortgage and Mortgage Note, and any Workout or Modification Agreement.

2. We certify that the Management Agreement contains provisions:

- a. acknowledging HUD's and the Lender's right to terminate the Management Agreement thirty days after HUD or the Lender has mailed the Owner and the Agent a written notice of its desire to terminate the Management Agreement. If HUD or the Lender exercises this right, the owner agrees to promptly make arrangements for providing management that is satisfactory to HUD and the Lender.
- b. acknowledging that HUD's and the Lender's rights and requirements will prevail in the event that the Management Agreement conflicts with HUD's or the Lender's requirements or restricts HUD's or the Lender's rights.

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- c. requiring the Management Agent to turn over to the owner all of the project's cash, trust accounts, investments, and records

within thirty days of the date the Management Contract is terminated.

3. We certify that the following clause will be included in any management agreement entered into with an identity-of-interest agent: "Upon request of the Lender, HUD, or (Name of Owner), (Name of Management Agent) will make available to the Lender or HUD, at a reasonable time and place, its records and records of identity-of-interest companies, which relate to goods and services charged to the project. Records and information will be sufficient to permit the Lender and HUD to determine the services performed, the dates performed, the location, the time consumed in providing the service, the charges made for materials, and the per unit and total charges levied for said service."
4. We also certify that we have obtained, and will at all times maintain, the following types of insurance policies. These policies will list the Lender and HUD as additional payees.
 - a. fidelity bond coverage for all individuals who will handle the project's cash. Coverage will be at least equal to the project's gross potential income for two months.
 - b. hazard insurance coverage in an amount required by the project's Mortgage.
 - c. public liability coverage with the Agent designated as one of the insured.
5. We further certify that the Management Agent Profile, which was submitted on _____, is accurate and current as of the date of this Certification.

WARNING: 18 U.S.C. 1001 provides, among other things, that whoever knowingly and willingly makes or uses a document or writing containing any false, fictitious, or fraudulent statement or entry, in any matter within the jurisdiction of any department or agency of the United States, shall be fined not more than \$10,000 or imprisoned for not more than five years, or both.

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(2) willfully and knowingly uses or authorizes the use, while such mortgage

is in default, of any part of the rents or expense...shall be fined not more than \$5,000 or imprisoned not more than three years or both.

Signed By:

Project Owner's Representative

Management Agent's Representative

_____/____/____
Signature Date

_____/____/____
Signature Date

Name

Name

Title

Title