# **MAINEHOUSING MULTIFAMILY**

# **MANAGEMENT AGREEMENT**

 *(Revised 8/20/2025)*

**This Agreement is by and between**:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Owner

 *And*

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Management Agent or Agent

1. **Definitions.**

 As used in this Management Agreement:

a. “MaineHousing” means the Maine State Housing Authority.

b. “Project” means:

 Project Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Project Number: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Project Location: \_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_\_. Maine

 Number of Units: \_\_\_ Type: Elderly \_\_\_\_ Family \_\_\_\_ Special Needs \_\_\_\_

 Other facilities including any commercial space and all of the personal property of whatever nature or wherever situated, used or owned by the Developer in connection with the operation, maintenance, or management of the said real property, including without limitation all real and personal property which is the subject of the Mortgage and Security Agreement assigned or to be assigned to MaineHousing as security for the mortgage loan and further including Gross Receipts and all Accounts, Funds and Escrows required to be established and maintained pursuant to the Loan Documents.

c. “Loan Documents” means all of the financing and program documents executed on behalf of the property. These documents may include Promissory Notes, Regulatory Agreements, Housing Assistance Payments Contracts for the Project between MaineHousing and the Developer, Mortgage and Security Agreements, restrictive covenants, escrow agreements and other Project documents and agreements.

d. “Housing Management Handbook” means the MaineHousing ‘Housing Management Handbook’, as it may be revised by MaineHousing from time to time.

e. “Effective Income” means the gross collected rents of the Project less the vacancy losses of the Project and is sometimes referred to as net operating income. Other income sources of the Project, such as laundry, TIFs, etc. are not included in the calculation of Effective Income (ref. MaineHousing RLP Guide).

2. **Property Management** **Agent.**

 The Developer hereby appoints the Agent as the exclusive renting and managing agent of the Project. The Agent hereby accepts the appointment.

3. **Loan Documents, HAP Contract, Regulatory Agreement, Housing Management Handbook, and other Mortgage Loan Documents**.

 The Project may be subject to various applicable Loan and other Documents specific to the Project including the HAP Contract, Regulatory Agreement, Mortgage & Security Agreement, Restrictive Covenants, Housing Management Handbook, and other documents. The Developer has furnished or will furnish the Agent with a copy of all Loan Documents applicable to the Project and the Agent certifies that they understand these documents. These documents provide a comprehensive and detailed description of the requirements to be followed in the management and operation of the Project. In many of its provisions, this Management Agreement briefly defines the nature of the Agent’s obligations, with the intention that reference be made to the applicable Loan Documents for more detailed requirements. Accordingly, the Agent will comply with all applicable requirements of the Loan Documents specific to the property, and any directives of MaineHousing thereunder, regardless of whether specific reference is made to such requirements or directives in this Management Agreement.

4. **Management Goal**.

 The goal of the Agent in the management of the Project shall be the provision of decent, safe, and sanitary housing operated in accordance with sensible financial, administrative, social and maintenance practices in full compliance with applicable laws, regulations, Multifamily Program requirements and the Loan Documents.

5. **Basic Information.**

 As soon as possible, the Developer will furnish the Agent with a complete set of the plans and specifications signed by MaineHousing and others and copies of all guaranties and warranties pertinent to construction, fixtures, and equipment. With the aid of this information and inspection by competent personnel, the Agent will thoroughly familiarize itself with the character, location, construction, layout, plan and operation of the Project, and especially of the electrical, heating, plumbing, air-conditioning and ventilating systems, the elevators, and all other mechanical equipment.

6. **Project Planning and Construction Phases** (applicable to new projects).

 During the planning and construction phases, the Agent will maintain direct liaison with the architect and general contractor, in order to coordinate management concerns with the design and construction of the Project, and to facilitate completion of any corrective work in accordance with the Agent’s responsibilities for arranging use of facilities and services and for initial lease-up activities. The Agent will keep the Developer advised of all significant matters in this operation.

7. **Basic Management Functions.**

 The Agent shall be responsible for the performance of the following basic management functions, all as may be more fully specified herein or in the Loan Documents:

a. Occupancy, including marketing, resident selection, pre-occupancy procedures, move-ins, re-examinations, enforcement of leases, including evictions, and move-outs;

b. Finance, including rent collection, accounting, budgeting, purchasing, and payment of all operating expenses;

c. Maintenance, including arrangements for necessary utilities and services, unit inspections, periodic pest extermination and planning and directing routine, requested, emergency and abnormal maintenance;

d. Safety and security, including crime preventive security measures, elimination of hazardous conditions, follow-up on tenant complaints, coordination with local authorities, and maintenance of property, liability, and business income insurance;

e. Social amenities as applicable under the loan documents, including engaging with resident organizations, designing and implementing social services programs for residents, referral to appropriate agencies, responding to resident needs;

f. Administration, including hiring and firing of all management personnel, implementation and maintenance of all records, files, forms and reporting systems for all management operations.

8. **Maintenance and Repair.**

 The Agent will cause the Project to be maintained and repaired in a condition at all times acceptable to the Developer and MaineHousing , including but not limited to cleaning, painting, decorating, plumbing, carpentry, grounds care, and such other maintenance and repair work as may be necessary, subject to any limitations imposed by the Developer 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. Subject to the Developer’s prior approval, 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, take such action thereon as may be justified, and will keep records of the same. Emergency requests will be received and serviced within a twenty-four (24) hour period. Complaints of a serious nature will be reported to the Developer 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 Developer will be required for any expenditure which exceeds Dollars ($500) in any one instance for labor, materials, or otherwise in connection with the maintenance and repair of the Project, except for recurring expenses within the limits of the operating budget or emergency repairs involving manifest danger to persons or property, or required to avoid suspension of any necessary service to the Project. In the latter event, the Agent will inform the Developer of the facts as promptly as possible.

9. **Utilities and Services.**

 To the extent of the responsibility of the Developer, the Agent will make arrangements for water, electricity, gas, fuel oil, sewage and trash disposal, vermin extermination and laundry facilities. Subject to the Developer’s prior approval, the Agent will make such contracts as may be necessary to secure such utilities and services.

10. **Bids, Discounts, Rebates, etc.**

 The Agent will obtain contracts, materials, supplies, utilities, and services on the most advantageous terms to the Project, and is authorized to solicit bids, either formal or informal, for those items which can be obtained from more than one source. Contracts or purchases in excess of $20,000 require 3 bids unless it is deemed infeasible to do so. Certain capital item replacement activity requires a prior review of bids and specifications by MaineHousing. The Agent will secure and credit to the Developer all discounts, rebates or commissions obtainable with respect to purchases, service contracts, and all other transactions on the Developer’s behalf.

11. **Insurance.**

 The Agent will cause such insurance as is required by the Loan Documents to be placed and kept in effect at all times. The Agent will investigate and furnish the Developer with full reports as to all accidents, claims, and potential claims for damage relating to the Project, and will cooperate with the Developer’s insurers in connection therewith.

12. **Compliance with Governmental Orders**.

 The Agent 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 limitation stated in Subsection 8.e. with respect to repairs. Except for orders or requirements of MaineHousing , the Agent shall take no such action so long as the Developer is contesting, or has affirmed its intention to contest, any such order or requirement. The Agent will notify the Developer in writing of all notices of such orders or other requirements, within seventy-two (72) hours from the time of their receipt.

13. **Project Receipts and Expenses**.

 All monies received by the Agent pertaining to the Project, including but not limited to tenants’ rents and any applicable housing assistance payments, but excepting tenants’ security deposits which shall be held in special accounts in accordance with law, shall, in accordance with the Loan Documents, be deposited in the Project Operating Account established pursuant to the Loan Documents. Monies received by the Agent pertaining to the Project shall in no event be commingled with the Agent’s own funds or with funds held by the Agent for other parties, and all monies received by the Agent pertaining to the Project shall be trust funds in the hands of the Agent. Expenses to be paid from the Project Operating Account are those allowed by the Loan Documents but do not include expenses which the Agent is required by this Agreement to pay solely from its own funds. Except for emergency repairs as provided in this Agreement, the Agent shall incur no expenses pertaining to the Project that are not normal and customary for the successful operation of the Project as represented in the annual budget for the Project submitted to MaineHousing pursuant to the Loan Documents . Disbursements from the Project Operating Account shall be made only in the manner prescribed in the Loan Documents.

14. **Fidelity Bond**.

 The Agent will furnish, at its own expense, a fidelity bond in the principal sum of \_\_\_\_\_\_\_\_\_ Dollars ($\_\_\_\_\_\_\_\_\_\_), which is at least equal to the gross potential income for two months and is conditioned to protect the Developer against misapplication of Project funds by the Agent and its employees. The other terms and conditions of the bond, and the surety thereon, will be subject to the approval of the Developer.

15. **Agent’s Compensation**.

 The Agent will be compensated for its services under this Agreement in the manner selected below and is irrevocable for the term of this Agreement.

1. A monthly management fee, to be paid as an operating expense of the Project. Such fees will be payable monthly on the 10th day of each month in the amount of:

(1) \_\_\_\_\_\_\_\_\_ percent (\_\_\_%) of Effective Income for such month, except as provided in subsection c below. Addendum A applies: □ Yes □ No

 or

(2) a flat fee of $\_\_\_\_\_\_\_\_\_\_\_ per unit per month. Addendum A applies: □ Yes □ No.

1. Addendum A. If Addendum A applies, as indicated above, additional Project management expenses excluded from the above fee but reasonable and specific to the management of the Project are the item(s) which will be charged directly to the Project as specified in Addendum A (attached) of the Project Operating Budget submitted annually to MaineHousing. This addendum is subject to the annual review and approval of MaineHousing and, once approved, becomes an attachment to this agreement.
2. During the first year after the Project is placed in service and for three full calendar years thereafter, the Agent’s total compensation (Management Fee plus Management charges plus Other Administrative Costs), defined as “Total Management Charges”, used to underwrite the funding from MaineHousing for the Project and set forth on the final budget for the Project approved by MaineHousing.

16. **Term.**

 This Management Agreement shall be in effect beginning on: \_\_\_\_\_\_\_\_\_, 202\_\_\_

 (Month Day Year)

 and automatically renewed on the anniversary date until a notice of termination is issued pursuant to Paragraph 16(b), subject to the following conditions:

a. This Agreement will not be binding upon the Developer and the Agent until endorsed by MaineHousing .

b. This Agreement may be terminated by either the Developer or the Agent as of the end of any calendar month, provided that at least thirty (30) days advance written notice thereof is given by one to the other and to MaineHousing.

c. In the event that a petition in bankruptcy is filed by or against either the Developer or the Agent or in the event that either makes an assignment for the benefit of creditors or takes advantage of any insolvency act, the other party may terminate this Management Agreement without notice to the other, provided that prompt written notice of such termination is given to MaineHousing.

d. It is expressly understood and agreed by and between the Developer and the Agent that MaineHousing shall have the right to terminate this Management Agreement at the end of any calendar month, for any cause or reason, on thirty **(30)** days advance written notice to each of the Developer and the Agent. Cause or reason for termination is not limited to cause or reason arising from failure of the Agent to satisfactorily perform any obligation under this Agreement and shall be determined by MaineHousing in the good faith exercise of its judgment as a reasonable and prudent state housing finance agency. In the event of a default by the Developer under the Developer’s mortgage loan, MaineHousing may terminate this Agreement immediately upon the issuance of a notice of cancellation to each of the Developer and the Agent.

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

f. Subject to termination as provided in paragraph 16(b), this agreement is automatically renewable on a yearly basis until such time as developer or agent notifies the other in writing at least 30 days prior to a change or termination of this agreement.

17. **Developer’s Reservation of Authority**.

 Notwithstanding any of the foregoing, the Developer hereby excludes as a function or authority of the Agent and reserves as an exclusive function or authority of the Developer the following:

18. **Interpretive Provisions**.

a. At all times, this Agreement will be subject and subordinate to all rights of MaineHousing , and will inure to the benefit of and constitute a binding obligation upon the Developer and the Agent and their respective successors and assigns. To the extent that this Agreement confers rights or benefits upon MaineHousing , this Agreement will be deemed to inure to MaineHousing’s benefit, but without liability to MaineHousing , in the same manner and with the same effect as though MaineHousing were a party to this Management Agreement.

b. This Management Agreement constitutes the entire agreement between the Developer and the Agent with respect to the management and operation of the Project and no change will be valid, unless made by supplemental written agreement of the Developer and the Agent, endorsed by MaineHousing .

c. Agent may not assign its rights and responsibilities under this Management Agreement, in whole or in part, without the prior written consent of the Developer and MaineHousing .

d. This Management Agreement has been executed in several counterparts, each of which shall constitute a complete original Management 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 Developer and the Agent have duly executed this Management

Agreement as of this \_\_\_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_\_\_, in

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, Maine.

 **Owner Entity Name:

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

Witness: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

----------------------------------------------------------------------------------------------------------------------------

 **Management Agent Entity Name:

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

Witness: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

----------------------------------------------------------------------------------------------------------------------------

 **Endorsed by MaineHousing**

Witness: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_