INTERGOVERNMENTAL AGREEMENT

FOR PROPERTY MANAGEMENT

THIS AGREEMENT is made by and between THE HOUSING AUTHORITY OF THE CITY OF ROSWELL (“RHA”) and THE HOUSING AUTHORITY OF THE CITY OF MARIETTA, GEORGIA (“MHA”).

WITNESSETH:

WHEREAS, both the RHA and the MHA are public housing authorities duly created and existing under and by virtue of the Housing Authorities Law of the State of Georgia, and have entered into contracts with the U.S. Department of Housing and Urban Development (“HUD”) for financial assistance under the provisions of the United States Housing Act of 1937, as amended, for construction and operation of affordable housing properties within their respective areas of operation; and,

WHEREAS, under said Housing Authorities Law, local housing authorities (including the MHA and the RHA) are authorized to join or cooperate with one another in the exercise of any or all of their powers of the purpose of financing, planning, undertaking, constructing, operating or contracting with respect to housing properties located within the area of operation of any one or more of such authorities; and,

WHEREAS, affordable housing funding policies at the national level are resulting in the need for greater efficiencies and innovation in providing housing for low income families, notably including the Rental Assistance Demonstration (RAD) program; and,

WHEREAS, RHA is the owner of Pelfrey Pines, 95 RAD dwelling units pursuant to Housing Assistance Payments Contracts with HUD, and Myrtle Street Apartments, 29 non-subsidized units; and

WHERES, RHA is a partner in the owner of Veranda Phase I, 102 units, of which eight (8) are subject to project-based rental assistance under the RAD program; and

WHEREAS, MHA has a staff of approximately 50, including a Development Division, and is capable of providing such efficiency and innovation on behalf of RHA, the City of Roswell, and its citizens; and,

WHEREAS, the Board of Commissioners of RHA desires to contract with MHA to manage the properties and related operations of RHA; and

NOW, THEREFORE, the premises considered, and for and in consideration of the mutual covenants and benefits flowing from each party to the other as hereinafter provided, the parties hereto hereby covenant and agree that:

**ARTICLE I - APPOINTMENT AND ACCEPTANCE**

1.1 RHA hereby appoints MHA as sole and exclusive MHA of RHA to lease and manage the properties described herein upon the terms and conditions provided herein. MHA accepts the appointment and agrees to furnish the services set forth herein, and RHA agrees to pay all expenses in connection with those services as outlined in Article XIII. Notwithstanding the exclusive nature of this Agreement, RHA shall have the right, but not the obligation, to locate prospective tenants for the Premises.

**ARTICLE II - DESCRIPTION OF PROPERTIES**

2.1 The properties subject to this agreement (hereinafter the “Properties”) are as follows:

 (a) Pelfrey Pines, 95 RAD units

 (b) Myrtle Street Apartments, 29 units

**ARTICLE III - TERM OF AGREEMENT**

3.1 Term of Agreement. This Agreement shall be effective as of February 13, 2017. Either party may terminate the Agreement by giving at least ninety (90) days prior written notice of termination to the other party in accordance with Article XI.

3.2 Any amounts accruing to MHA prior to such termination shall be due and payable upon termination of this Agreement. Any amounts owed to MHA under this Article III may be set off against any amounts MHA may owe to RHA hereunder.

**ARTICLE IV - MHA’S RESPONSIBILITIES AND SERVICES**

4.1Standard of Conduct. MHA represents that it is experienced in professional management of property of the character and nature similar to the Properties, and MHA agrees to manage the Properties in accordance with the highest professional standards for such property.

4.2 [Intentionally Omitted].

4.3 Plans and Specifications. As soon as practicable, but no later than final completion of the Properties or any phase thereof, RHA shall furnish MHA with a complete set of general plans and specifications for the Properties, if they are available, and copies of all guarantees and warranties pertinent to construction and fixtures and equipment of the Properties. With the aid of this information and inspection by competent personnel, MHA shall thoroughly familiarize itself with the character, construction, layout and plans of the Properties, including the electrical, heating, plumbing, and ventilating system and all other mechanical equipment in the Properties.

4.4 Rentals. MHA shall offer for rent and shall rent the housing units in the Properties in accordance with a rent schedule approved in writing by RHA and the leasing guidelines below. Pursuant to its rental responsibilities, MHA shall:

(a) Show housing units for rent in the Properties to all prospective tenants.

(b) Take and process applications for rentals, including prospective Tenant interviews and credit checks. If an application is rejected, the applicant shall be advised of the reason for rejection. The rejected application, written notice of the rejection, and any other related correspondence shall be kept on file for one (1) year following the rejection.

(c) Comply with the leasing and other requirements (the “Requirements”) of all federal and state statutes and regulations, including, but not limited to (i) HUD regulations applicable to the Properties, (ii) requirements set forth in any regulatory and operating agreement for the Properties and any Project Based Rental Assistance (PBRA) agreement for the Properties, and (iii) requirements contained in any documents executed by RHA in connection with the acquisition, financing, ownership, maintenance and operation of the Properties (the “Properties Documents”) with respect to all housing units.

(d) Comply with any leasing guidelines established by RHA and which satisfy the Requirements, and use for each unit a form of lease to be provided by MHA (“Lease”), which Lease form shall be subject to the approval of RHA and shall be in compliance with the Requirements, unless otherwise agreed by RHA and MHA in writing.

(e) Be responsible for the certification and recertification of tenants as applicable.

(f) Execute all leases in MHA’s name, identified hereon as agent for RHA, subject to prior written approval by RHA of any deviation from RHA’s approved rent schedule, Lease form and leasing guidelines, or standard lease provisions.

(g) Collect and disburse security deposits, if required, in accordance with the terms of each Lease and Section 8.2 hereof. Each security deposit shall be held and disbursed by MHA in accordance with applicable laws governing security deposits in the State of Georgia.

(h) 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. MHA shall exercise its best efforts (including, but not limited to, placement of advertising, interview of prospective tenants, assistance and counseling in completion of rental applications and execution of leases, processing of documents and credit and employment verifications, and explanation of the program and operations of RHA), to operate the dwelling units, renewal of leases and, in accordance with the terms of each lease and the Requirements, subleasing of dwelling units in the Properties, so that the Properties is occupied as fully as possible.

(i) Perform such other acts and deeds requested by RHA as are reasonable, necessary and proper in the discharge of MHA’s rental duties under this Agreement.

(j) 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.

 (k) 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.

4.5 HUD Regulations

(a) If applicable, the MHA, at RHA’s expense, will operate the Properties in compliance with all applicable requirements of and regulations promulgated under the U.S. Housing Act of 1937, as amended, any regulatory and operating agreement for the Properties, and any PBRA Agreement for the Properties.

4.6 Collection of Rents and Other Receipts. MHA shall collect, when due, all rents, charges and other amounts receivable on RHA’s account in connection with the management and operation of the Properties. Such receipts shall not be commingled with other funds and shall be deposited and held in the Operating Account in accordance with the provisions of Section 9.1.

4.7 Enforcement of Leases. MHA shall secure full compliance by each tenant with the terms of such tenant’s lease. Voluntary compliance will be emphasized and MHA shall counsel tenants and make referrals to community agencies in cases of financial hardship or under other circumstances deemed appropriate by MHA, to the end that involuntary termination of tenancies may be avoided to the maximum extent consistent with sound management of the Properties. If any tenant is more than ten (10) days in arrears for a rent payment, MHA shall terminate such Lease in accordance with state laws, regulations and the Requirements. Nevertheless, MHA may, and shall if requested by RHA, lawfully terminate any tenancy when, in MHA’s judgment, sufficient cause for such termination occurs under the terms of tenant’s lease, but not limited to, nonpayment of rent. For this purpose, MHA is authorized to consult with legal counsel to be designated by RHA and bring actions for eviction and execute notices to vacate and judicial pleadings incident to such actions; provided, however, that MHA shall keep RHA informed of such actions and shall follow such instructions as RHA 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 RHA, shall be paid out of the Operating Account. MHA shall properly assess and collect from each tenant or such tenant’s security deposit (upon termination of lease agreement) the cost of repairing any damages to the housing unit arising during the tenant’s occupancy.

4.8 Maintenance and Repairs. MHA shall, at RHA’s expense, maintain the Properties in a first rate and sanitary condition and in a rentable state of repair, all in accordance with the Requirements and all other Properties rules and regulations and local codes, and MHA shall otherwise maintain the Properties at all times in a condition acceptable to RHA, including but not limited to cleaning, painting, decorating, plumbing, carpeting, grounds care, and such other maintenance and repair work as may be deemed necessary by RHA. Incident thereto, the following provisions shall apply:

(a) Special attention shall be given to preventive maintenance and, to that end, the services of a regular superintendent, to be approved by RHA, shall be used.

 (b) MHA shall contract with qualified independent contractors for the maintenance and repair of major mechanical systems, and other building systems, and for the performance of extraordinary repairs beyond the capability of regular maintenance personnel. MHA shall obtain prior to commencement of any work a written estimate for such work, and appropriate written evidence of such contractor’s liability and workers’ compensation insurance.

(c) MHA 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 48 hour basis. Complaints of a serious nature shall be reported to RHA after investigation. MHA shall provide RHA with copies of all service requests and the reports of action thereon.

(d) MHA 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 Properties and orders of any board of fire underwriters, insurance companies and other similar bodies pertaining to the Properties.

(e) Except as otherwise provided in this section, MHA is authorized to purchase, at RHA’s expense, all materials, equipment, tools, appliances, supplies and services necessary for proper maintenance and repair of the Properties. MHA shall obtain bids for all contracts, materials, equipment, tools, appliances, supplies, utilities, and services exceeding $10,000 for those items, which can be obtained from more than one source. MHA shall secure and credit to RHA all discounts, rebates, or commissions obtainable with respect to purchase, service contracts, and all other transactions on RHA’s behalf. Notwithstanding the foregoing, the prior written approval of RHA will be required for any contract which exceeds one year in duration or $10,000 in any one instance for the maintenance and repair of the Properties, except for emergency repairs involving manifest danger to persons or property, or required to avoid suspension of any necessary service to the Properties. In the event of emergency repairs, MHA shall notify RHA of the facts promptly, and in no event later than 24 hours, if possible, from the occurrence of the event.

4.9 Utilities and Services. MHA shall make arrangements for water, electricity, sewage and trash disposal, pest control, decoration of common areas, laundry facilities, telephone services and other necessary services in connection with the Properties. Subject to RHA’s prior approval as required in Section 4.8, MHA shall make such contracts as may be necessary to secure such utilities and services. Any income associated with such services will inure solely to the benefit of the RHA.

4.10 Operating Account. In the event that the balance in the Operating Account is at any time insufficient to pay disbursements due and payable under this Section 4, MHA shall promptly inform RHA of the fact and RHA shall then remit to MHA sufficient funds to cover the deficiency. In no event shall MHA be required to use its own funds to pay such disbursements or be liable for any losses, costs or damages arising out of RHA’s failure to cover the deficiency.

4.11 Debt Service Escrow and Tax Payments. From the funds collected and deposited by MHA in the Operating Account, MHA shall make any and all monthly debt service payments and all payments related thereto. In addition, the MHA shall make escrow payments required under such loans, if any, for the purpose of funding insurance, taxes and such other reserve or escrow accounts for the Properties as are necessary to conform to the Requirements. MHA promptly shall present tax bills and insurance premium notices to the escrow MHA for payment and shall furnish RHA with evidence of timely payment of such taxes and insurance premiums, and of timely payment of debt service and escrow payments, if any.

4.12 Licenses and Permits. MHA shall acquire and keep in force at RHA’s expense all licenses and permits required for the operation of the Properties as rental housing, if applicable, other than licenses required to be held by MHA in its position as manager of the Properties.

4.13 Records and Reports. MHA shall have the following responsibilities with respect to records and reports:

(a) MHA shall establish and maintain a system of records, books, and accounts in a manner satisfactory to RHA, which is consistent with and for the duration mandated by the Requirements. All records, books, and accounts shall be maintained at the Premises or available electronically to RHA, at all times subject to examination at reasonable hours by any authorized representative of RHA.

(b) MHA shall prepare a monthly report in the form satisfactory to RHA, and any other reports as directed and are consistent with MHA’s duties hereunder, containing and including at least the following: (i) a statement of income and expenses and accounts receivable and payable for the preceding month; (ii) a rent roll/cash receipts form for the previous month; (iii) a disbursements summary for the previous month; (iv) bank statements for the previous month with reconciliation of the Operating Account; (v) any other information required by the Requirements; and (vi) information regarding marketing, leasing, and occupancy of units in a form reasonably acceptable to RHA. MHA shall submit each such report to RHA within fifteen (15) days after the end of the month to which the reports relate, and shall send all reports that are required to be sent to any lenders, federal, state, county or other government body or regulatory agency, to RHA for RHA’s prior approval, which approval shall not be unreasonably withheld or delayed; provided, however, that RHA shall have two (2) weeks to review such reports prior to the due date for submission to any lender, federal, state, county or other government body or regulatory agency.

(c) MHA shall prepare, execute and file all forms, reports and returns required by law in connection with the employment of personnel, unemployment insurance, workman’s compensation insurance, disability benefits, Social Security, and other similar insurance, and all other benefits or taxes now in effect or hereafter imposed.

(d) All bookkeeping, data processing services and management overhead expenses shall be paid for by MHA.

(e) MHA shall promptly furnish such additional information (including monthly occupancy reports) as may be requested from time to time by RHA with respect to the renting and financial, physical, or operational condition of the Properties.

(f) MHA shall establish tenant files containing copies of leases, certification forms, notices and other documentation required by RHA as necessary to conform to the Requirements.

(g) All reports to be provided by MHA to RHA shall be delivered by the date set forth in the RHA’s Partnership Agreement.

4.14 Supporting Documentation. As additional support to the monthly financial statement required pursuant to Section 4.13(b) above, at the request of RHA, MHA shall provide RHA copies of the following:

(a) All bank statements, bank deposit slips and bank reconciliations;

(b) Detailed cash receipts and disbursements records;

(c) Detailed statements regarding the operation of the Properties;

(d) Paid invoices; and

(e) Summaries of adjusting journal entries.

4.15 RHA Communication. MHA shall be available for communications and monthly meetings with RHA and shall keep RHA advised of items materially affecting the Properties.

4.16 Management. MHA shall lease, manage, operate and maintain the Properties in an efficient and first rate manner.

4.17 Employees. MHA is authorized to hire, supervise, discharge and pay all employees, contractors, and other personnel necessary to be employed in the management, maintenance and operation of the premises. All employees shall be deemed employees of the MHA and MHA shall be liable to RHA or others for any act or omission on the part of such employees. MHA shall fully comply with all applicable laws and regulations having to do with equal employment opportunity, workers’ compensation, social security, unemployment insurance, hours of labor, wage and hour requirements, working conditions, occupational health and safety and other employers/employee related subjects.

4.18 Advertising. MHA is authorized to advertise the Properties or portion hereof for rent, using periodicals, signs, plans, brochures or displays, or such other means as MHA may deem proper. MHA is authorized to place signs on the Premises advertising the Properties for rent. The cost of such advertising shall be paid out of the Operating Account.

4.19 Authority. MHA’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. RHA expressly withholds from MHA any power or authority to make any structural change in the Properties or to make any other major alterations or additions in or to the Properties or fixtures or equipment therein, or to incur any expense chargeable to RHA other than expenses related to exercising the express powers granted to MHA by the terms of this Agreement without the prior written consent of RHA.

4.20 Delegation of Duties. MHA shall have the right to engage independent contractors for performance of such of its duties hereunder as MHA deems necessary, but MHA shall have the responsibility for supervision of the performance of such duties. All contracts whether written or oral, with independent contractors in excess of $10,000 shall be subject to the approval of RHA.

4.21 Compliance with Laws Mortgages, etc. In addition to its other obligations under Article IV of this Agreement, MHA, on behalf of RHA, shall make its best efforts to comply fully with all of federal, state, county, municipal and special district laws, non-discriminatory laws, Georgia Open Records Law, ordinances, rules, regulations and orders relative to the leasing, use, operation, repair and maintenance of the Properties.

**ARTICLE V - INSURANCE AND INDEMNIFICATION**

5.1 Liability of MHA. Except as expressly provided to the contrary herein, the obligations and duties of MHA under this Agreement shall be performed as agent of RHA, but MHA shall be liable for its breaches of this Agreement and for damages and costs (including reasonable attorneys’ fees) resulting from MHA’s negligence or willful misconduct. All expenses incurred by MHA in accordance with its obligations and duties under this Agreement, except those due to its gross negligence or willful misconduct and those expressly specified as MHA’s expenses herein, shall be for the account of and on behalf of RHA.

5.2 Insurance. Unless preempted by the action of RHA, MHA shall obtain and keep in force such forms and amount of insurance requested by RHA as necessary under the Requirements with insurance companies satisfactory to RHA, including but not limited to insurance against physical damage (e.g., fire and extended coverage endorsement, boiler and machinery, etc.), and against liability loss, damage or injury to property or persons which might arise out of the occupancy, management, operation or maintenance or any part of the Properties, workers’ compensation and employer’s liability insurance, business income loss, and employee fidelity bond. MHA shall be named as an additional insured during the term of this Agreement in all liability insurance maintained with respect to the Properties. MHA shall investigate and promptly furnish to RHA full written reports of all accidents, claims and potential claims for damages relating to the Properties and shall cooperate fully with RHA’s insurers, regardless of whether the insurance was arranged by MHA or others. MHA shall provide a copy of such insurance policies to RHA and, to the extent required under any loan documents, to such lenders.

5.3 Cooperation. MHA shall furnish whatever readily available information is requested by RHA 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.

5.4 MHA’s Insurance.

(a) At all times during the term of this Agreement, MHA shall maintain insurance in full force and effect, with a licensed insurance company approved by RHA, and shall furnish RHA with a certificate of insurance evidencing general liability workers’ compensation, fidelity bond coverage, employment practices liability and other insurance as required by RHA in such amounts as required by RHA but at a minimum in the amounts set forth below. Such certificate shall have attached thereto endorsements that RHA shall be given at least thirty days’ prior written notice of cancellation of or any material change in policy. RHA shall not reimburse MHA for MHA’s cost of such insurance, or for any other coverage that MHA obtains to protect its own interests.

(b) MHA shall obtain comprehensive automotive liability insurance for all owned, hired and non-owned vehicles with minimum limits of $1,000,000 combined single limits per occurrence for bodily injury and property damage liability. Such insurance shall name RHA as additional insured.

(c) MHA shall obtain comprehensive general liability insurance with minimum limits of $1,000,000 combined single limits per occurrence for bodily injury and property damage liability. Such insurance shall name RHA as an additional insured.

(d) MHA shall at all times keep its employees and contractors insured for statutory workers’ compensation and other employee benefits required by all applicable laws, and MHA shall maintain employer’s liability insurance for an amount not less than $2,000,000 covering claims and suits by or on behalf of employees and others, not otherwise covered by statutory workers’ compensation insurance. RHA, and its officers, directors, employees, MHAs, and partners shall be protected in all such insurance or alternate employer rider. MHA shall provide RHA with a certificate of insurance evidencing that workers’ compensation and employer’s liability insurance and all insurance required pursuant to Article V, is in force and providing not less than ten (10) days’ notice to RHA prior to change of cancellation.

 (e) RHA shall be named as an additional insured or loss payee on all policies.

5.5 Contractor’s Insurance. MHA shall require that all contractors working on the Properties maintain, at the contractor’s expense, general liability insurance with minimum limits of $1,000,000 per occurrence for bodily injury and property damage and workers’ compensation insurance, in such amounts as may be required by law from time to time. MHA shall be notified promptly in the event RHA waives any of the requirements in this Section 5.5.

5.6 Indemnification of RHA. To the extent permitted by law, MHA agrees to defend, indemnify and hold harmless RHA, its affiliates, its officers, directors, employees, MHAs, and partners from all claims, damages, investigations and suits, with respect to (i) any alleged or actual violation of state or federal labor, employment or other laws pertaining to employees, it being expressly agreed and understood that as between RHA and MHA, all persons employed in connection with the premises are employees of MHA, not RHA; and (ii) MHA’s negligence, willful misconduct, or breach of this Agreement.

5.7 Indemnification of MHA. To the extent permitted by law, RHA agrees to defend, indemnify and hold harmless MHA from all claims and suits in connection with the Properties provided that such claims and suits are attributable to bodily injury, sickness, disease or death, or 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 gross negligence or willful misconduct of RHA, its partners, officers, directors, employees or agents other than the MHA.

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

**ARTICLE VI - RIGHT TO AUDIT**

6.1RHA’s Right to Audit. RHA reserves the right to conduct or to appoint others to conduct examinations, at RHA’s expense, of the books and records maintained for RHA by MHA and to perform any and all additional audit tests relating to MHA’s activities hereunder.

6.2 Correction of Discrepancies. Should RHA’s employees or appointees discover either weaknesses in internal control or errors in record-keeping, MHA shall correct such discrepancies or deficiencies, either upon discovery or within a reasonable period of time.

MHA shall inform RHA in writing of the action taken to correct such audit discrepancies or deficiencies.

6.3 Audit by Regulatory Agencies. MHA will provide all regulatory agencies, and any of their authorized MHAs, access to all books and records maintained by MHA relating to the Properties, its activities as MHA for the Properties, or otherwise as necessary in connection with any allocation of the costs, expenses, or income connected with the Properties. Such books and records will be made available for review, excerpt, transcript, copying and audit at all reasonable times.

**ARTICLE VII - FINANCIAL REPORTING AND RECORD-KEEPING**

7.1 Book of Accounts. MHA shall maintain adequate books, the entries to which shall be supported by sufficient documentation to ascertain that said entries are properly recorded. Such books and records are the property of RHA and will be maintained by MHA at the Premises or available electronically to RHA at all times.

7.2 Statements. At RHA’s request, MHA shall, on a mutually acceptable schedule, prepare and submit to RHA such other reports deemed reasonably necessary by RHA.

**ARTICLE VIII-REMITTANCE OF FUNDS**

8.1 Deposit of Funds. MHA shall deposit all rents and other funds collected from the operation of the Properties, including any and all advance funds (but not including security deposits) into the Operating Account (defined below).

8.2 Security Deposits. MHA shall deposit all security deposits into a separate security deposit account and shall maintain records of all security deposits and such records shall be open for inspection by RHA’s employees or appointees. MHA shall return such security deposits to the tenant timely and in the appropriate amount upon a tenant’s vacating a unit in a voluntary move and leaving the unit in satisfactory condition, in accordance with Georgia law.

8.3 Expenditures. Except as otherwise provided herein, any disbursements made by MHA pursuant to this Agreement shall be made out of the Operating Account for the Properties. RHA agrees to make necessary operating funds available to MHA. MHA shall not make any advance to the Operating Account or to pay any amount except out of funds in the Operating Account, nor shall MHA be obligated to incur any extraordinary liability or obligation unless RHA shall furnish MHA with the necessary funds for the discharge thereof.

**ARTICLE IX - BANK ACCOUNTS**

The various bank accounts established under this Agreement shall be established on RHA’s behalf but under RHA and MHA’s control. No amounts deposited in the operating account established under this Agreement shall in any event be commingled with any other funds.

9.1 Operating (and/or Reserve Accounts). RHA shall establish separate operating and/or reserve account(s) for the deposit of receipts collected as described herein, in a bank or other institution whose deposits are insured by the federal government (the “Operating Account”). Funds in the Operating Account remain the property of RHA subject to disbursement of expenses as described in this Agreement and the RHA shall at all times be an authorized signatory of such Operating Account.

**ARTICLE X - DISBURSEMENTS FROM OPERATING (AND/OR) RESERVE ACCOUNTS**

10.1 From the Operating Account(s). MHA is hereby authorized to pay or reimburse itself for all expenses and cost of operating the Properties from the Operating Account for the following:

 (a) MHA’s compensation under Article XIII.

(b) Costs to correct any violation of federal, state, and municipal laws, ordinances, rules, regulations and orders relative to the use and leasing of the Properties.

 (c) Costs incurred by MHA in connection with all service agreements.

 (d) Costs of collection of delinquent rents collected through a collection agency.

 (e) Legal expenses as outlined in Section 4.7.

 (f) Costs of printed checks for each bank account required by RHA.

(g) Costs of utility service contracts approved by RHA and cost of on-site utilities used by MHA in connection herewith.

 (h) Costs of RHA approved direct advertising (including time, lodging, transportation and the like) incurred by MHA for its advertising and marketing representatives (whether based at MHA’s office or at the Premises) to the extent and when such persons are engaged in work directly affecting Premises.

 (i) Costs of printed forms and supplies required for use at Premises.

(j) Costs of gross salaries and wages, payroll taxes, health insurance, workers’ compensation, and other benefits of MHA’s employees, including the cost of processing by a third party vendor.

(k) All costs incurred by MHA in providing accounting, bookkeeping and computer services in connection with Article IV.

(l) Costs of computer hardware and software located on the Premises (which hardware and software shall be owned by RHA).

(m) All other sums which are contained in the Budget and which are expended by MHA on behalf of RHA or which are due MHA and which are expenses of the Premises and chargeable to RHA pursuant to the terms of this Agreement.

10.2 Notwithstanding any other provisions to the contrary contained herein, all debt service payments for the Properties must be paid in full prior to payment of any other amounts described above.

10.3 All disbursements must be supported by an invoice or bill, or be approved by RHA, prior to payment.

**ARTICLE XI - TERMINATION**

11.1 Sale of Property. This Agreement shall be terminated automatically and immediately upon destruction, condemnation, sale, exchange or other disposition (excluding any mortgage or refinancing) of the Properties by RHA.

11.2 Other Termination. Either party may terminate this Agreement by giving ninety (90) days’ written notice for any reason, including, but not limited to, if RHA does not make available sufficient funds to maintain the Properties in compliance with applicable codes and this Agreement. This Agreement will also terminate by mutual written consent of MHA and RHA or upon the occurrence of any of the following circumstances which shall be considered a default:

 (a) The consent to an involuntary petition in bankruptcy or the failure by either RHA or MHA to vacate within ninety (90) days from the date of entry thereof any order approving an involuntary petition.

(b) The entering of an order, judgment or decree by any court or competent jurisdiction, on the application of a creditor, adjudicating either RHA or MHA a bankrupt or insolvent or proving a petition seeking reorganization or appointing a receiver, trustee or liquidator of all or a substantial part of such party’s assets, and such order, judgment or decree shall continue unstayed and in effect for a period of ninety (90) consecutive days.

(c) The failure of MHA to perform, keep or fulfill any of its duties hereunder or to comply with the covenants, undertakings, obligations or conditions set forth in this Agreement, and the continuance of any such default for a period of fifteen (15) days after notice of such failure (except in the event of MHA’s gross negligence or willful misconduct, in which case no notice shall be required).

11.3 Final Accounting. Upon termination of this Agreement for any reason, MHA shall deliver to RHA immediately upon termination the following with respect to the Properties:

 (a) Any Tenant security deposits or monies belonging to RHA held by MHA on RHA’s behalf; and

 (b) All books, records, contracts, leases, receipts for deposits, unpaid bills and other papers or documents relating to the Properties.

11.4 RHA Responsible for Payments. Upon termination of or withdrawal from this Agreement, RHA shall assume the obligations of any contract or outstanding bill executed by MHA under this Agreement for and on behalf of RHA and responsibility for payment of all unpaid bills. In addition, RHA shall furnish MHA security in an amount satisfactory to MHA against any obligation or liabilities which MHA may have properly incurred on RHA’s behalf under this Agreement.

**ARTICLE XII - 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 RHA or MHA, RHA or MHA shall give to each other all pertinent information and reasonable assistance in the defense or other disposition thereof, at its sole expense.

**ARTICLE XIII – ADDITIONAL SERVICES**

 Additional services and compensation are set forth in Exhibit A. RHA and MHA may from time-to-time amend this agreement to provide for additional enumerated services with compensation for such additional services to be negotiated.

**ARTICLE XIV - MHA’S COMPENSATION**

The MHA will be paid for its services under this Agreement by monthly fees, payable not later than the seventh (7th) day of each month, and shall receive as compensation for services five percent (5%) of the monthly gross receipts from the operation of the Properties for the previous month, including but not limited to rents, deposits, laundry income and fees; provided however, the monthly fee shall in no event be less than $2,400.00 per month. In addition, MHA shall be reimbursed for certain direct costs plus 5% fee itemized in Exhibit A.

**ARTICLE XV - CONSENT**

Whenever in this Agreement the consent or approval of MHA or RHA 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 MHA for the party granting such consent or approval; provided, however, notwithstanding anything in this Agreement to the contrary, if such consent or approval would be required for MHA to comply with the Requirements as a result of RHA’s refusal or unreasonable delay to so consent or approve.

**ARTICLE XVI - 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 certified or registered mail, postage prepaid, or on the day delivered personally to the following addresses:

If to RHA: Housing Authority of the City of Roswell

 P. O. Box 1106

 Roswell, Georgia 30077-1106

 Attention: Scott Marcelais

If to MHA: Housing Authority of the City of Marietta

 95 Cole Street

Marietta, Georgia 30061

Attention: Marion C. Waldrep, Jr.

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

**ARTICLE XVII-EXECUTION OF AGREEMENT**

17.1 This Agreement contains the entire Agreement between the parties relating to the transactions contemplated hereby, and all prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged herein. No modification, waiver, amendment, discharge or change of this Agreement shall be valid unless the same is in writing and signed by all of the parties hereto except as to other written instructions and the like specifically referred to above.

17.2 In the event any term or provision contained in the Agreement, or any portion hereof, is held invalid, void or unenforceable by any court of competent jurisdiction, the remaining portions of this Agreement shall, nevertheless, be and remain in full force and effect.

17.3 This Agreement shall be binding upon the successors and assigns of the MHA and their heirs, administrators, executors, successors and assigns of the RHA.

17.4 This Agreement is governed by, and shall be interpreted in accordance with, the laws of the State of Georgia.

**IN WITNESS WHEREOF**, the parties hereto have affixed or caused to be affixed their respective signatures this \_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_, 2017.

**HOUSING AUTHORITY OF THE CITY OF ROSWELL, GEORGIA**

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

 Chair

**HOUSING AUTHORITY OF THE CITY OF MARIETTA, GEORGIA**

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

 Chair