FORM RD 3560-13
(Rev. 03-11)

FORM APPROVED
OMB NO 0575-0189

MULTI-FAMILY PROJECT BORROWER'S/MANAGEMENT AGENT'S MANAGEMENT CERTIFICATION

Borrowers of multifamily housing loans are required by 7 C.F.R. §3560.102 (j) to submit certain data for review by the Servicing Official for approval of a new management agent. These requirements apply to all multifamily projects.

Effective Date (xx-xx-20xx): 01-01-2021

Project Name: Greenspire I, II & III Borrower Case# /Project ID: 093933423

City/State: Stoughton, WI 53589

Acting on behalf of Stoughton Housing Authority, the project borrower (Borrower), and Broihahn Management, the management agent (Agent), make the following certifications and agreements to the United States Department of Agriculture regarding management of the above project.

1. We certify that:
   a. We will comply with Rural Development requirements and contract obligations, and agree that no payments have been made to the Borrower in return for awarding the management contract to the Agent, and that no such payments will be made in the future.
   b. We have executed or will execute, within 30 days a management agreement (Agreement) for this project. The Agreement provides that the Agent will manage the project for the term and for the Per Unit Per Month (PUPM) management fee described below. Changes in the management fee will be implemented only in accordance with Rural Development's requirements.

      (1) Term of Agreement (xx-xx-20xx through xx-xx-20xx): 01/01/2021 - 12/31/2023

      (2) Fees:

      a) ☑ PUPM fee as specified in HB-2-3560, Attachment 3-F, as revised, for the term specified above (applied to revenue producing occupied units only).

      b) ☐ PUPM fee is below the PUPM fee specified in HB-2-3560, Attachment 3-F, as revised, for the term specified above (applied to revenue producing occupied units only)
      Fee Amount: $ _____.

      c) ☐ Add-On Fees as specified in HB-2-3560, Check all that apply. Include total add-on fees below. (applied to all revenue producing units regardless of occupancy)

         ☐ Management of properties with 15 units or less.
         ☐ One project that has buildings located on different noncontiguous parcels of land (i.e. across town or in another town).
         ☐ Management of properties in a remote location.
         ☐ Troubled properties with workout plans **and** new management only.

   c. We will disburse management fees from project income only after:
      (1) We have submitted this certification to Rural Development:
      (2) Rural Development has approved the Agent to manage this project
   d. We understand that no fees may be earned or paid after Rural Development has terminated the Agreement
   e. If Rural Development notifies me of a management fee above that listed in HB-2-3560; Attachment 3-F the Agent will within 30 days of the notice either:

      (1) Reduce the compensation to an amount Rural Development determines to be reasonable and
      (2) Require the Agent to refund to the project all excessive fees collected, or
      (3) Appeal the decision and abide by the results of the appeal process, making any required reductions and refunds within 30 days after the date of the decision letter on the appeal.

2. We will select and admit tenants, compute tenant rents and assistance payments, recertify tenants and carry out other subsidy contract administrative responsibilities in accordance with HB-2-3560 and Rural Development regulations.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0189. The time required to complete this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

3. We agree to:
   a. Comply with this project's Mortgage and Promissory Note, and Loan Agreement/Resolution or Workout Agreement.
   b. Comply with Rural Development Handbooks and other policy directives that relate to the management of the project.
   c. Comply with Rural Development requirements regarding payment and reasonableness of the management fee and the project account.
   d. Refrain from purchasing goods or services from entities that have identity of interest with us unless the requirements of 7C.F.R. §3560.102(g) are met.

4. The Agent agrees to:
   a. Ensure that **all** expenses of the project are reasonable and necessary.
   b. Exert reasonable effort to maximize project income and to take advantage of discounts, rebates and similar money-saving techniques.
   c. Obtain contracts, materials, supplies and services including the preparation of the annual financial reports on terms most advantageous to the project.
   d. Credit the housing project with all discounts, rebates or commissions including any sales or property tax relief granted by the State or local government received.
   e. Obtain the necessary verbal or written cost estimates and document reasons for accepting other than the lowest bid.
   f. Maintain copies of the documentation and make such documentation available for inspection during normal business hours.
   g. Invest project funds that Rural Development policies require to be invested and take reasonable effort to invest other project funds unless the Borrower specifically directs the Agent not to invest those funds.

5. We certify that the types of insurance policies checked below are enforceable and will be maintained to the best of our ability at all times. Fidelity bonds and hazard insurance policies will name Rural Development as co-payee in the event of loss. Note: for any box not checked, Rural Development may require an explanation as to why a certain type of insurance was not obtained.
   a. ☑ Fidelity bond or employee dishonesty coverage for:
      (1) all principals of the Agent and
      (2) all persons who participate directly or indirectly in the management or maintenance of the project and its assets, accounts and records.
   b. ☑ Hazard insurance coverage required by 7 C.F.R. §3560.105.
   c. ☑ Public liability insurance required by 7 C.F.R. §3560.105.
   d. ☐ Other (specify) as may be required by 7 C.F.R. §3560.105.

6. The Agent agrees to:
   a. Furnish a written response to Rural Development's supervisory visit review reports, physical inspection reports, and written inquiries regarding the project's annual financial statements or monthly accounting reports within 30 days after receipt of the report or inquiry.
   b. Establish and maintain the project's accounts, books and records in accordance with:
      (1) Rural Development's administrative requirements; and
      (2) Accounting principles under 7 C.F.R. §3560.302(b).

7. We agree that:
   a. All records related to the operation of the project, regardless of where they are housed, shall be considered the property of the project.
   b. Rural Development, the Office of Inspector General (OIG), and those agencies' representatives may inspect:
      (1) Any records which relate to the project's purchase of goods or services,
      (2) The records of the Borrower and the Agent, and
      (3) The records of companies having an identity-of-interest with the Borrower, Rural Development and the Agent.
   c. The following clause will be included in any contract entered into with an identity-of-interest individual or business for the provision of goods or services to the project:

   "Upon request by Rural Development, the Borrower or Agent, the contractor or the supplier will make available to Rural Development 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 Rural Development to determine the services performed, the dates the services were performed, the location at which the services were performed, the time consumed in providing the services, the charges made for materials, and the per unit and total charges levied for said services." **The Borrower agrees to request from the contractor or supplier such records within seven (7) days of receipt of Rural Development's request.**

8. We agree to include the following provisions in the Agreement and to be bound by them:

a. Rural Development has the right to terminate the Agreement for failure to comply with the provisions of this Certification, or other good cause.

b. If Rural Development exercises this right of termination, I, the Borrower, agree to promptly make arrangements for providing management to the property that is satisfactory to Rural Development.

c. If there is a conflict between the Agreement and Rural Development's rights and requirements, Rural Development's rights and requirements will prevail.

d. If the Agreement is terminated, I, the Agent, will give to the Borrower all of the project's cash, trust accounts, investments and records within 30 days of the date the Agreement is terminated.

9. I, the Borrower, agree to submit a new management certification to Rural Development before taking any of the following actions:
   a. Authorizing the agent to collect a fee different from the fees specified in Paragraph 1 of this Certification.
   b. Changing the expiration date of the Agreement;
   c. Renewing the Agreement;
   d. Permitting a new Agent to operate the project;
   e. Permitting a new Agent to collect a fee;
   f. Undertaking self-management of the project.

10. We agree to:
   a. Comply with all Federal, State, or local laws prohibiting discrimination against any persons on grounds of race, color, creed, familial status, handicap, sex or national origin, including Title VI of the Civil Rights Act of 1964, Fair Housing Act, Executive Order 11063 and all regulations implementing those laws.
   b. When the head of household or spouse is otherwise eligible, give families with children equal consideration for admission.
   c. Give handicapped persons priority for subsidized units that were built and equipped specifically for the handicapped.
   d. The project will comply with the provisions of 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. The Agent understands that these laws and regulations prohibit discrimination against applicants or tenants who are handicapped or of a certain age.
   e. Furnish Rural Development any reports and information required to monitor the project's compliance with Rural Development's fair housing and affirmative marketing requirements.
   f. Not discriminate against any employee, applicant for employment or contractor because of race, color, handicap, religion, sex or national origin.
   g. Provide minorities, women, and socially and economically disadvantaged firms equal opportunity to participate in the project's procurement and contracting activities.

11. We certify that we have read and understand Rural Development's definition of "identity-of-interest" as defined in 7 C.F.R §3560.11 and that the statement(s) checked and information entered below is true.
   a. ☐ No identity-of-interest exists among the Borrower, the Agent and any individuals or companies that regularly do business with the project, or
   b. ☑ Only the individuals and companies listed on Form RD 3560-31 have an identity-of-interest with the Borrower or the Agent.

12. The items checked below are attached:
   a. ☐ Management Plan
   b. ☐ Identity-of-Interest (IOI) Disclosure Qualification Certificate or Certification of No Identity-of-Interest (IOI)
   c. ☐ Other (Specify):

Warnings:
There are fines and imprisonment for anyone who makes false, fictitious, or fraudulent statements or entries in any matter within the jurisdiction of the Federal Government (18 U.S.C. 1001).

There are fines and imprisonment for anyone who misuses rents and proceeds in violation of Rural Development regulations relative to this project. (Section 543 of the Housing Act of 1949).

Rural Development may seek a "double damages" civil money damages remedy for the use of assets or income in violation of any Loan Agreement/Resolution or any applicable Rural Development regulations.

Rural Development may seek additional civil money penalties to be paid by the mortgagor through personal funds pursuant to 7 C.F.R. §3560.461(b). The penalties could be as much as $50,000 per violation (Section 543 (b) of the Housing Act of 1949).

By Project Borrower: Stoughton Housing Authority	
Name/Title:	
Signature:	**Date:**

By Management Agent: Broihahn Management & Consulting, LLC	
Name/Title: Sue Broihahn, Owner	
Signature: S. J. Broihahn	**Date:** 9/30/20

By Servicing Official: Rural Development	
Name/Title:	
Signature:	**Date:**

ADDENDUM TO MANAGEMENT PLAN
Greenspire Apartments
January 1, 2021

Compensation:

The on-site manager is compensated for duties described in the position description. Hours worked are 30 per week. The position is compensated at $19.25 per hour

On-site maintenance manager is compensated for duties described in the position description. Hours worked are 30 per week. The position is compensated at $19.25 per hour.