

City of South St. Paul Housing and Redevelopment Authority Agenda Annual Meeting

Monday, December 6, 2021

6:45 P.M.



1. CALL TO ORDER:

2. ROLL CALL:

3. AGENDA:

A. Approval of Agenda

Action – Motion to Approve

Action – Motion to Approve as Amended

4. CONSENT AGENDA:

All items listed on the Consent Agenda are items, which are considered to be routine by the Economic Development Authority and will be approved by one motion. There will be no separate discussion of these items unless a Commissioner or citizen so requests, in which event the item will be removed from the consent agenda and considered at the end of the Consent Agenda.

A. Approval of Minutes – Annual Meeting – October 25, 2021

5. GENERAL BUSINESS:

A. Management Contract with Nath Companies Revised

6. ADJOURNMENT:

Respectfully Submitted,

Ryan Garcia, Executive Director

HOUSING AND REDEVELOPMENT AUTHORITY
OF THE CITY OF SOUTH ST. PAUL

BOARD OF COMMISSIONERS
MINUTES
ANNUAL MEETING
October 25, 2021

The Annual Meeting of the Housing and Redevelopment Authority of the City of South St. Paul was held on October 25, 2021 in the South St. Paul City Hall Training Room. Chairperson Seaberg called the meeting to order at 6:30 P.M.

The following Commissioners were present: Pam Bakken, Sharon Dewey, Todd Podgorski, Jimmy Francis, Lori Hansen, Joe Kaliszewski and Chair Tom Seaberg.

Staff was represented by: Executive Director Ryan Garcia, Tiffany Greene, Housing Programs Administrator, Joel Hanson, City Administrator, and Clara Hilger, City Finance Director.

APPROVAL OF AGENDA

It was moved by Commissioner Kaliszewski and seconded by Commissioner Hansen to approve the agenda as presented. Motion carried.

PUBLIC HEARINGS

- A. Approval of 2022 Agency Plan and Revised 5-Year Capital Fund Plan – Resolution No. 2021-3342.

Chair Seaberg opened the public hearing.

Ms. Greene reported that the Agency Plan was a required annual document that the HRA prepares to guide its activities for the coming year. Ms. Greene pointed out that the Capital Fund Plan was updated to reflect future capital projects as discussed at previous board meetings. Ms. Greene noted that Resident Advisory Boards participated in the planning process and were supportive of the continued investment in the buildings.

Chair Seaberg closed the public hearing at 6:43 P.M.

It was moved by Commissioner Kaliszewski and seconded by Commissioner Francis to adopt Resolution No. 2021-3342 approving the 2022 Agency Plan and Revised 5-Year Capital Fund Plan.

Motion carried 7 ayes / 0 Nays

CONSENT AGENDA

It was moved by Commissioner Francis and seconded by Chair Bakken to approve the Consent Agenda as follows:

- A. Approval of Minutes – Special Meeting – June 28, 2021
- B. Purchase of Admission and Continued Occupancy Policy (ACOP)

Motion carried 7 ayes / 0 Nays

GENERAL BUSINESS

- A. Election of Officers

Commissioner Seaberg suggested and the Board agreed that all nominations would be considered, following nominations, under a single motion.

Chair Seaberg nominated Sharon Dewey for the Office of Chairperson, Joe Kaliszewski for the Office of Vice Chairperson, and Pam Bakken for the Office of Secretary. Chair Seaberg made three successive calls for further nominations. Hearing no further nominations to come from the floor, it was moved by Commissioner Seaberg and seconded by Commissioner Hansen that nominations be closed and to approve via one motion the appointments as follows:

CHAIRPERSON – Sharon Dewey

VICE CHAIRPERSON – Joe Kaliszewski

SECRETARY – Pam Bakken

Motion carried 7 ayes / 0 nays

- B. Approval of 2022 Public Housing Budget – Resolution No. 2021-3343

Ms. Greene presented a summary of the 2022 public housing budget, which is submitted to HUD and guides the administration of the Public Housing Program. The Program continues to be on solid financial footing with expected revenues providing sufficient coverage to provide a consistent level of service at the High Rise buildings.

Motion by Commissioner Kaliszewski and seconded by Commissioner Dewey to approve Resolution 2021-3343 and the 2022 Public Housing Budget.

Motion carried 7 ayes / 0 nays

- C. Approval to Renew Management Contract with Nath Companies

Ms. Greene presented an overview of the Nath Management agreement, which is a two-year contract for property management services at the Highrises.

Motion by Commissioner Bakken and seconded by Chair Seaberg to approve the Management Contract with Nath Companies.

Motion carried 7 ayes / 0 nays

ADJOURNMENT

There being no further business to come before the Board it was moved by Commissioner Francis and seconded by Commissioner Bakken to adjourn. Chairperson Seaberg declared the meeting adjourned at 6:54 PM.

Respectfully submitted,

Joe Kaliszewski, Secretary

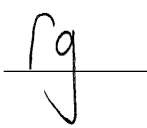
Tom Seaberg, Chairperson

Dated: _____



EDA Agenda Item Report

Date: December 3, 2021

EDA Executive Director: 

5-A

Agenda Item: Approval to Revise Property Management Agreement with Nath Companies

Action to be considered:

Motion to approve revision of the Management Contract with Nath Companies for property management services at 300 Grand Avenue West and 200 Marie Avenue – contract was revised from two years to one year.

After further discussions between Nath Companies, the South St. Paul HRA and City Attorney, parties agreed to a one-year management contract beginning January 1, 2022 through December 31, 2022. One year extensions to the current contract terms will be considered at the discretion of the South St. Paul HRA.

The details found within the Contract were examined closely when previously approved at the Annual HRA Meeting on October 25, 2021. Revisions made to the Contract since it was approved on October 25, 2021 are summarized below:

- The term of the contract is now for the period of January 1, 2022, through December 31, 2022.

Funding Sources and other fiscal considerations:

The Public Housing program is supported by residential rents as well as an annual operating subsidy from the U.S. Department of Housing and Urban Development (HUD). Based upon the estimates and proposed fee structure provided, costs are within 3% of “Status Quo” and are expected to be covered in the same manner (rents + HUD subsidy).

Attachments:

A_Management Agreement - Nath - FINAL 12.3.2021

**MANAGEMENT AGREEMENT WITH NATH
MANAGEMENT, INC.**

This Management Agreement (“Agreement”) is made this 1st day of January 2022, between the South St. Paul Economic Development Authority, a Minnesota public body corporate and politic, 125 3rd Ave. N., South St. Paul, MN 55075 (the “Owner”), and Nath Management Inc., (“Nath”) a Minnesota corporation, with offices at 900 East American Blvd., Suite 300, Bloomington, MN 55420 (the “Manager”).

RECITALS

WHEREAS, Owner is the owner of certain properties described as John Carroll Building, located at 300 Grand Ave. W., South St. Paul and the Nan McKay Building, located at 200 Marie Ave., South St. Paul (collectively, the “Property”); and

WHEREAS, Owner desires to engage Manager to provide management services at the Property on the terms and conditions specified herein and Manager desires to perform such services.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Owner and Manager hereby agree as follows:

ARTICLE 1. ENGAGEMENT; TERM; COMPENSATION

1.1 Engagement. Owner hereby agrees to engage Manager for purposes of performing management services at the Property on the terms and conditions specified in this Agreement. Manager covenants and agrees to provide management services at the Property to the satisfaction of the Owner in a timely fashion, as set forth in this Agreement.

1.2 Term. The term of this Agreement shall commence on January 1, 2022 and shall terminate December 31, 2022.

1.3 Extension at Option of Owner. By written notice to Manager not later than sixty (60) days before the end of the then-existing term, Owner at Owner’s option may extend this Agreement for additional one (1) year terms, subject to satisfactory agreement between Owner and Manager regarding the compensation of Manager during such extended term as outlined in Article 9 of this Agreement. Any extension may include some amendments or modifications to this Agreement, including but not limited to performance rewards or penalties related to Article 7.

ARTICLE 2. MANAGER’S RESPONSIBILITIES

2.1 General. Manager shall manage, operate and maintain the Property in a diligent and

competent manner designed to protect and promote the interests of Owner and the successful operation of the Property in full compliance with all laws, rules and regulations of the US Department of Housing and Urban Development (“HUD”), the State of Minnesota, the City of South St. Paul, and other governmental jurisdictions providing funding or oversight of the HUD Public Housing Program, HUD Capital Fund Program, the HUD Congregate Housing Services Program, and related programs of Minnesota Housing and the City of South St. Paul. Manager’s responsibilities shall include completing all forms, reports, and other Property obligations and requests determined necessary and appropriate by HUD, the State of Minnesota, the City of South St. Paul, and other governmental entities. Manager’s duties shall include the engagement, coordination, and supervision of employees and contractors necessary for providing services for the proper operation of the Property in accordance with the other terms and provisions of this Agreement, including, without limitation, performing all functions and obligations detailed in the Owner’s Admissions and Occupancy Policy including but not limited to applicant screening and leasing, rent calculation, income re-exam and redetermination, resident relations and continued occupancy, lease enforcement and eviction actions if necessary, all HUD, Minnesota Housing Finance Agency (MHFA), and other governmental agency reporting and paperwork, building engineering, life safety systems, elevator maintenance, HVAC system maintenance and improvement, annual housekeeping and preventative maintenance unit and building inspections, pre-PHAS inspections; capital needs assessments, cleaning and janitorial, pest control, snow removal, window cleaning, landscape and plantscape maintenance, lighting maintenance and repair, metal cleaning, and trash removal. Manager shall act in a fiduciary capacity with respect to the proper protection of and accounting for Owner’s assets. In this capacity, Manager shall deal at arm’s length with all third parties and Manager shall serve Owner’s interest at all times. Manager agrees to perform the services enumerated in this Article with professional skill and care commensurate with the size, location, complexity and value of the Property. In furtherance of its duties under Section 14.6 herein, Manager shall take all actions necessary and appropriate to defend Owner and the Property from any suits, claims or other proceedings brought by third parties against Owner or the Property and shall inform Owner of and confer with Owner regarding any actions taken to defend any such suits, claims or proceedings.

2.2 Employees: Independent Contractor and Agent Status. Manager shall, at all times, have in its employ a sufficient number of capable employees to enable it to properly, adequately, safely and economically manage, operate, maintain and account for the Property, however, at no time shall there be less than one (1) Regional Manager, two (2) Property Managers, one (1) Administrative Assistant, two (2) Maintenance Technicians and two (2) Caretakers for the Property without the consent of the City Administrator or his/her designee. All employment arrangements regarding the management of the Property are the sole responsibility and concern of the Manager; and Owner shall have no liability with respect thereto. Such employment arrangements include all matters pertaining to the hiring, employment, supervision, compensation, promotion and discharge of such employees. Manager, which is in all respects the employer of such employees, shall fully comply with all applicable laws and regulations having to do with worker’s compensation, social security, unemployment insurance, hours of labor, wages, working conditions and other employer-employee related subjects. Regarding such arrangement and related matters, Manager is engaged independently in the business of managing the Property as an independent contractor. To the extent Owner maintains direct control over Manager’s actions under the terms of this Agreement, or as otherwise required by law consistent with the terms of

this Agreement, Manager shall be considered an agent of Owner.

2.3 Compliance with Laws and Other Legal Requirements. Manager shall be responsible for full compliance with federal, state and municipal laws, statutes, constitutional provisions, ordinances, regulations, and orders, including contractual requirements and obligations (“Laws”), pertaining to the leasing, use, operation, repair and maintenance of the Property, including without limitation, all Laws relating to environmental protection, energy savings performance, fair housing or fair employment, and, in particular, by way of exemplification and not limitation, those Laws prohibiting or making illegal any discrimination based on disability, ancestry, marital status, public assistance status, sex, national origin, affectional preference or familial status in the sale, rental or other disposition of housing or any services rendered in connection therewith or in connection with employment practices and with the rules, regulations or orders of the local Board of Fire Underwriters or other similar body. Manager, with Owner’s prior written approval, shall promptly remedy or contest, any violation of any such Law, which comes to its attention.

2.4 Compliance with Programs. The parties acknowledge and agree that Owner has provided Manager with all housing finance regulations and program guidelines required for the leasing, management, and operation of the Property, including the Owner’s Admissions and Occupancy Policy. Manager shall be responsible for full compliance with all such regulations and guidelines (including required record keeping and reporting), including offering suggestions on updating or revising such Policy. Manager represents that Manager is generally familiar with, and has previous experience in managing property governed by, regulations and guidelines similar to those in effect with respect to the Property.

2.5 Approved Budgets. Initially and in July of each calendar year, Manager shall have an initial budget meeting with Owner to assist Owner in the preparation of a cash flow forecast and an operating and capital improvement budget for the Property for the next ensuing calendar year. The operating budget shall set forth on a cash basis the projected revenues for the next succeeding calendar year and the capital and operating expenses to be incurred during such year, all in reasonable detail with each category of expense listed on a separate line. The capital improvement budget shall set forth on a cash basis and in reasonable detail a description of all capital improvements, repairs, and replacements which Manager and Owner propose to make for the Property during the next succeeding calendar year and the estimated cost of such capital items. In addition, the Manager agrees to assist the Owner in developing a five-year capital improvement plan, which shall include projected costs.

Manager agrees to use diligence and to employ all reasonable efforts to assure that the actual costs of managing, maintaining and operating the Property shall not exceed the approved budget either in total or in any one accounting category. Manager shall have the right to suggest budget revisions from time to time and Owner agrees to consider such suggestions and revisions; however, should Owner fail to favorably respond in writing within thirty (30) days of the receipt of the submission, then the same shall be deemed not approved.

During the calendar year the Manager agrees to inform Owner of any material increases in costs and expenses that were not foreseen during the budget preparation period and thus were not reflected in any approved budget.

2.6 Collection of Rents and Other Income, Vacant Units. Manager shall use diligent efforts to collect all rents and all other charges of whatever kind or nature which become due at any time from any space, tenant or other users of the Property. Manager shall attempt to maintain tenant accounts receivable at 2% or less of total dwelling unit rental income and maintain a total annual amount of uncollected rent average of .75% or less of gross rent charged to support a PHAS "A" rating for the financial assessment component. Manager shall collect and identify any income due to the Owner from miscellaneous services provided to tenants or the public including, but not limited to, tenant storage, building services or coin operated machines of all types. Manager shall not modify or amend rents due without written consent of Owner.

Manager shall achieve a maximum average annual vacant unit turnaround time of 21 calendar days.

2.7 Competitive Bidding. All bids for contracts for repairs, capital improvements, or goods and services shall comply with HUD, Office of Public and Indian Housing guidelines, Federal Office of Management and Budget guidelines, Minnesota Statutes, and the guidelines set forth in Owner's procurement policy and shall be awarded and entered into after Manager makes a recommendation to Owner.

2.8 Payments and Expenses; Repairs. The Manager shall not authorize any expenditure in excess of \$5,000 unless specifically authorized by the Owner; provided that emergency repairs involving manifest danger to life and property, or immediately necessary for the preservation and safety of the Property, or for the safety of the Residents and Occupants, or required to avoid the suspension of any necessary services to the Property, may be made by the Manager without regard to the cost limitation imposed by this Section with the understanding that the Manager, if at all possible, will confer immediately with the Owner regarding every such expenditure. The Manager shall not incur liabilities on behalf of the Owner (direct or contingent) which, in the aggregate will exceed at any time \$10,000 unless specifically authorized by the Owner. The Manager shall not incur liabilities on behalf of the Owner (direct or contingent), which require payment more than one year from the creation thereof, unless specifically authorized by the Owner. Manager shall attend to the making and supervision of all ordinary repairs, decorations and alterations subject to the limits of the approved operating budgets and in compliance with the Owner's performance standards for response times. In accordance with the approved budget, Manager shall be responsible for purchasing and maintaining adequate stocks of building operating and maintenance supplies on behalf of the Owner as Manager deems necessary to properly operate the Property.

Manager shall conduct pre-PHAS inspections of at minimum one floor and a maximum of two floors each month so that each floor of the Property will be inspected once per year, utilizing the Uniform Physical Condition Standards (UPCS) format and forms and/or current standards per HUD's PHAS and REAC systems. Completed forms shall be submitted to the HRA (via email) as a part of monthly reporting requirements. Documented maintenance items from these inspections shall be handled in accordance with the guidance below.

Manager shall acknowledge all non-emergency maintenance and repair calls to the reporting party within 12 hours and completion of non-emergency work-orders must be made within 7 days, unless

extraordinary circumstances exist.

Emergency maintenance and repair calls must be responded to within 90 minutes of receipt and completion of emergency work-orders must be made within 24 hours, unless extraordinary circumstances exist.

The City Administrator or his/her designee shall be notified if the emergency or non-emergency repairs cannot be made within the timeframe contained in this section, accompanied by an explanation as to the circumstances preventing such compliance.

2.9 Capital Improvements. With respect to the purchase and installation of major capital improvements not included within the capital plan, the Manager shall recommend that Owner purchase such items when Manager believes such purchase to be necessary. Any such purchase shall adhere to Owner's Procurement Policy as well as applicable State and Federal guidelines prior to the purchase.

2.10 Service Contracts. All service contracts shall: (a) be approved by City Administrator or his/her designee, (b) be signed by Manager in its capacity as managing agent, (c) be assigned to Owner, (d) include a provision for cancellation thereof with or without cause by Owner or Manager upon not less than thirty (30) days' written notice, and (e) shall require that all contractors provide evidence of sufficient insurance. All service contracts shall be subject to the Owner's procurement policy. Upon termination of this Agreement, Owner thereafter shall assume all obligations under all approved service contracts and shall save and hold Manager harmless from any obligation or liability thereafter accruing under such approved service contracts, unless the result of Manager's act or omission. Manager understands that as of the date of this Agreement, there are existing service contracts. Manager agrees to assume responsibility for managing all existing service contracts, and to keep all existing service contracts in effect through their current terms, except in cases of default or with the written approval of Owner to terminate.

2.11 Tenant Wellness and Social Activities. The Manager agrees to provide and coordinate programming for tenant wellness and social activities on and off-site of the Property. The goal of such activities shall be to achieve resident stability, independence, community building and engagement with support from Manager's onsite staff. Manager shall provide monthly event calendars of the activities to the tenants. The Manager agrees to facilitate transportation with a third party vendor for those tenants who wish to attend these activities, at no additional cost to the Owner.

2.12 Meeting Requests. Manager shall attend any meetings as requested by the City Administrator or his/her designee.

ARTICLE 3. INSURANCE

3.1 Owner's Insurance. The Owner, at the Owner's expense shall obtain and keep in force adequate insurance against physical damage (e.g., Special Causes of Loss Property Insurance covering all Real & Personal Property of Owner and including Business Income & Extra Expense with no coinsurance provisions. Real & Personal Property insurance shall be written on a

Replacement Cost basis and Business Income and Extra Expense to be written actual loss sustained or an amount equal to 12 months' Gross Potential Rent. Property Insurance shall also include coverage for Theft and Monies & Securities and Machinery & Equipment Breakdown including Business Income & Extra Expense for those buildings with elevators and against liability for loss, damage, or injury (e.g., Commercial General Liability Insurance to property or persons which might arise out of the occupancy, operation, or maintenance of the Property). The amounts and types of insurance shall be acceptable to the Owner, and any deductible required under such insurance policies shall be the Owner's expense. The Manager shall be named as an insured on all liability insurance maintained with respect to the Property.

The Manager shall promptly investigate and make a full written report to the Owner of all accidents or claims for damage relating to the ownership, operation, and maintenance of the Property, the estimated cost of repair, and shall cooperate and make any and all reports required by an insurance company in connection therewith.

3.2 Manager's Insurance. Manager shall furnish Owner within fifteen (15) days of the effective date of this Agreement with certificates of insurance substantially in conformance with the form attached Exhibit B that is acceptable to Owner and provides evidence of Manager's worker's compensation, comprehensive general liability insurance, and automobile insurance in the following amounts:

- (a) Commercial General Liability Insurance, with a combined single limit of liability of at least \$2,000,000;
- (b) Workers' Compensation Insurance in accordance with statutory requirements;
- (c) Automobile Liability Insurance, with a combined single limit of liability of at least \$1,000,000 for each person and \$1,000,000 for each accident.

On an annual basis, Manager will provide Owner a certificate of insurance that provides evidence of such insurance within 15 days of the policy renewal date. Owner shall have 30 days from the receipt of that certificate to respond with any objections or requested revisions to such coverage amounts in writing to Manager, which response Manager shall not unreasonably oppose. Such certificates shall provide that Owner will be given at least thirty (30) days prior written notice of cancellation or of any material change in the policies.

3.3 Fidelity Bond. The Manager shall obtain at its own expense a third-party Fidelity Bond in an amount equal to one month's gross receipts, for the benefit of Owner. The premium on said Fidelity Bond shall not be payable from the operating funds of the Property.

3.4 Contractor's Insurance. Manager shall require, prior to beginning work, that all contractors brought onto the Property have current insurance coverage at the contractor's expense and deliver certificates evidencing the existence of said coverage to the Manager with the requirement that the Manager be notified at least thirty (30) days prior to any lapse or termination in the following minimum amounts:

- (a) Comprehensive General Liability Insurance with combined single limit of liability of at least \$500,000.
- (b) Worker's Compensation Insurance in accordance with statutory requirements.
- (c) Comprehensive Automobile Insurance with a combined single limit of liability of at least \$500,000.

Manager must obtain the Owner's written permission to waive any of the above requirements. Higher coverage may be required if the work to be performed is sufficiently hazardous. Manager shall obtain and keep on file a Certificate of Insurance for each contractor as required in this Section that is substantially in conformance with the form attached as Exhibit C.

ARTICLE 4. REPORTING AND RECORDKEEPING

4.1 Financial Reports. Manager shall furnish reports of all monthly revenue and expense statements and rental/income transactions occurring during each calendar month. These reports are to be received by Owner by the twentieth of each month and must show all revenues and expenses by category, including, but not limited to collections, delinquencies, uncollectible items, vacancies, evictions, accounts payable/receivable financial statements, HUD reporting, , and other matters pertaining to the management and operation of the Property during such month. Fiscal year end reports for audit purposes are due by January 31 each year.

4.2 Account Classification. Manager shall adopt Owner's chart of accounts (a system of classification of accounting entries) or provide a means of classification, which can be readily translated and uploaded to Owner, which shall include distinguishing between operating and capital expenditures.

4.3 Property Expenses. Manager will be responsible for assuring all invoices for the services necessary to properly operate and maintain the Property are reviewed, coded, approved and submitted by Manager to Owner for payment in a timely manner.

4.4 Accounting Procedures. Detailed procedures for collection of rents and payment of expenses will be an addendum to this contract. In general, however, Manager will certify tenant rent and issue rent statements. Owner will collect rent payments and send batch information to Manager to record against the tenant receivable. Owner will have view only access to the Manager's accounting software, so both parties can review the status of collections.

4.5 Supporting Documentation. As additional support to the monthly financial reports, Manager shall provide the following:

- (a) Detailed tenant rent roll listing by unit: tenant name, suite or apartment number, base rent, and other charges, total rent due and the amount of any deposits being held.
- (b) Detailed Account Receivable Reconciliation listing: balance carried forward from last month, amount of monthly billing, cash received during current month, any

adjustments made and the balance due at end of current month for each delinquent tenant.

(c) Other information as reasonably requested.

4.6 Property Summary. Manager shall submit a Property summary to the Owner in narrative form by the twentieth of each month, along with charts and graphs if appropriate. At a minimum, the summary shall contain the following information:

- (a) Police or other emergency call reports.
- (b) Move-in/Move-out reports, including beginning month occupancy and ending month occupancy data, and vacant unit turnaround data.
- (c) Households on waiting lists.
- (d) Completed pre-PHAS inspections as defined in 2.8 above utilizing the Uniform Physical Condition Standards (UPCS) format and/or current standards per HUD's PHAS and REAC systems.
- (e) Monthly maintenance and preventative maintenance reports.
- (f) Any current and pending legal matters, including eviction actions, formal complaints, etc.
- (g) Other monthly and annual reports consistent with the Owner's goals and performance monitoring requirements.

ARTICLE 5. PERFORMANCE EVALUATION; AUDIT RIGHTS

On at least an annual basis during the term of this Agreement, the City Administrator or his/her designee will conduct a performance evaluation of Manager's performance under this Agreement. The criteria of evaluation may include but will not necessarily be limited to:

- (a) financial performance of the Property (including vacancy levels, turnover, control of operating expenses and variance between budgeted and actual expenses);
- (b) physical condition of the Property, including Manager's performance under Articles 2.8 and 4.6 (d) of this Agreement;
- (c) Manager's responsiveness and ability to resolve tenant and Owner complaints;
- (d) Manager's cooperation in resolving audit findings;
- (e) results of PHAS scores (see Article 7);

- (f) other customary and reasonable indicia of operation and management of multifamily apartment projects;
- (g) compliance with requirements of Section 2.6 regarding collection of rents and vacancy turnarounds;
- (h) overall management of capital improvement projects;
- (i) compliance with responsiveness to emergency and non-emergency repairs;
- (j) quality and effectiveness of tenant wellness and social activities;
- (k) the manner of discharge by Manager of any of its other responsibilities under this Agreement;
- (l) calculation of tenant rent for Public Housing Units must be accurate and complete and HUD Form 50058, reflecting that data, must be submitted timely and Manager shall maintain a PIC Reporting Rate of 95% or higher throughout the calendar year.
- (m) Manager's ensuring that all staff are properly trained and qualified for their current position and are provided with regular ongoing training opportunities relevant to their position. An outline of Manager's training programs shall be submitted to the City upon contract award and thereafter on an annual basis, describing the types of courses and instruction offered.

Manager and Owner will have at least quarterly meetings to discuss Manager's ideas that could result in improved operating efficiencies at the Property and/or improved quality of experience of the tenants. Owner acknowledges that, in the evaluation of Manager, Owner's failure to perform its undertakings set forth in Sections 2.4 and 7.2 which materially and adversely affects Manager's performance, or substantial variance between Manager's reasonable recommendations regarding capital repairs, replacements and improvements and Owner's approved budgeted amounts therefor which variance materially and adversely affects the condition of the Property or portions thereof, may be relevant.

ARTICLE 7. PUBLIC HOUSING PROGRAM

7.1 Management of Public Housing Units. Manager agrees to manage and operate the Public Housing Program/Units, the Capital Fund Program/Units, and the Congregate Housing Services Program/Units on behalf of Owner under the same terms and conditions set out generally for the Property under this Agreement, provided that this Agreement and the rights and obligations of the parties are subject in all respects to all Public Housing Program Requirements. In the event that the Public Housing Program Requirements require modification or termination of this Agreement with respect to the Public Housing Units, Manager hereby agrees to such modification or termination, as so required. The Public Housing Program Requirements include (but are not limited to) the Public Housing Assessment Standards as described in Section 7.2.

7.2 Public Housing Assessment System Standards. The Manager will be expected to implement the necessary tracking systems and inspection protocols to meet the requirements of HUD's Public Housing Assessment Standards ("PHAS") and to maintain the Owner's High Performer standard. PHAS is a means for HUD to evaluate the Owner and its operation of public/publicly assisted housing. A majority of these requirements will only apply to the Public Housing Units, although there are some criteria that will apply to the entire agency. PHAS contains four subsystems which are evaluated by HUD; each subsystem receives a portion of a 100-point score: Physical Assessment Subsystem, Financial Assessment Subsystem, Management Assessment Subsystem and Capital Fund Program.

The Manager shall be responsible for completing a variety of tasks for each of the four subsystems as follows:

- (a) Physical Assessment Subsystem. Each unit must be inspected by the Manager annually comparing against the standards from the Uniform Physical Condition Standards found within the Final Rule at 24 CFR 902.23 of the Federal Register (access to the description of the standards at the HUD website is www.hud.gov/reac). The Real Estate Assessment Center ("REAC") will conduct random inspections of the units on an annual basis and will review the Manager's files as to conditions inside and outside of each unit. The Manager shall be responsible to accompany REAC employees on the inspection and respond in writing to any correspondence requiring correction.
- (b) Financial Assessment Subsystem. The Manager shall be responsible for providing information to the Owner's staff for calculation of the sub-indicators as determined by the City Administrator or his/her designee.
- (c) Management Assessment Subsystem. The Manager will assist in the full preparation of all of the documentation necessary for this subsystem. There are three sub-indicators, and the Manager is responsible for the information for all sub-indicators except "Accounts Payable":
 - (i) Occupancy. The sub-indicator grades the Owner on the occupancy of its Public Housing Units by comparing unit months leased divided by months available.
 - (ii) Tenant Accounts Receivable. The sub-indicator compares the Owner's tenant accounts receivable to tenant revenue collected for Public Housing Units.
 - (iii) Accounts Payable. This sub-indicator measures the Owner's total vendor accounts payable, both current and past due, against total monthly operating expenses by taking accounts payable divided by the average monthly operating expenses, all as to Public Housing Units.
- (d) Capital Fund Program. The purpose of the Capital Fund Program is to provide funds to

modernize/develop Annual Contributions Contract units and improve overall occupancy.

- (e) Manager shall assist Owner in ensuring the timeliness of Capital Fund obligation and occupancy, PHAS reporting, preparation for PHAS inspections, and other requirements as detailed in PHAS regulations.

7.3 Implementation. Owner shall provide to a designated employee of Manager reasonable direction and training as to the proper implementation of the procedures and reporting requirements set forth in Article 7.

ARTICLE 8. LEASING AND CONTINUED OCCUPANCY

8.1 Authority. Owner hereby gives Manager the authority to advertise the Property for rent, to display signs thereupon, and to rent same; to negotiate and renew leases for terms not in excess of one (1) year; to institute and prosecute actions to evict tenants and recover possession; to sue for and recover rent and other sums due; and, when expedient, to settle, compromise and release such actions and suits, using the Owner's Admissions and Occupancy Policy.

8.2 Fair Housing. The Property which is the subject matter of this Agreement is offered without regard to any disability, race, color, religion, creed, marital status, public assistance status, sex, national origin, affectional preference or familial status. All standards for the acceptance and rejection of prospective tenants shall be applied on a uniform basis without regard to any disability, race, color, religion, creed, marital status, public assistance status, sex, national origin, affectional preference or familial status and shall comply with any individual program guidelines and Owner adopted preferences.

ARTICLE 9. COMPENSATION

The Manager shall be compensated for its services under this Agreement on a monthly basis, payable by the Owner within ten (10 business) days of the receipt of an invoice and the Owner's reports due under Article 4. The monthly fee shall amount to a total of \$50,000 and shall be inclusive of any and all charges due to Manager from Owner. No additional compensation shall be due to Manager above and beyond the monthly fee stated herein during the term of this Agreement.

Not later than July 1, 2022, the City Administrator or his/her designee will conduct a performance evaluation of Manager's performance under this Agreement. The purpose of this evaluation will be to determine, at the Owner's sole discretion, whether extension in accordance with Article 1.3 of this Agreement is desirable and, if so, to define the compensation increase, if any, due to the Manager for such extended term. Evaluation for purposes of defining the compensation increase shall be completed generally in conformance with the evaluation matrix included in Exhibit A of this Agreement subject to a consideration to the wage increases in the market for employees such as those employed at the Property by the Manager.

ARTICLE 10. DEFAULT AND TERMINATION

10.1 Default. “Events of Default” in this Agreement means any of the following events:

- (a) Manager is cited, debarred, or prohibited from property management by HUD; or
- (b) any theft, embezzlement, defalcation, fraud, intentional property damage or similar act or omission on the part of any officer, employee, agent or contractor of Manager so long as if such is committed by other than the officer or employee the Manager will have a reasonable time to remedy the situation to make the Owner whole; or
- (c) any of the Property fails to achieve a High Performer “PHAS” or “REAC” rating due in substantial part to the actions or inaction of Manager, following a six-month transition period from the start date; or
- (d) Manager’s performance is deemed unsatisfactory by the Owner, based on the performance evaluation conducted under Section 5; or
- (e) the vacancy rate for the Property, in the aggregate, exceeds three percent (3%); or
- (f) Manager shall own or manage any other Public housing in South St. Paul; or
- (g) any failure or refusal to observe or perform any agreement or responsibility on the part of Manager under this Agreement.

10.2 Notice of Default. An Event of Default under Section 10.1, subsections (d), (e), (f), and (g), shall arise upon the Owner providing written notice thereof to Manager, and Manager shall fail to correct or cure within thirty days after the date of notice. An Event of Default under Section 10.1, subsections (a), (b), and (c), shall arise upon Owner providing written notice thereof to Manager.

10.3 Rights and Remedies. Upon the occurrence of an Event of Default, Owner may take any one, or any one or more together, of the following actions:

- (a) for financial defaults whereby Owner suffers specific financial damages, Owner may deduct the specific amount of financial damages from Manager’s monthly fees,
- (b) for a default under Section 10.1(c), Owner may deduct \$2,000 per month from Manager’s fees until the default is cured by proving to the Owner’s satisfaction that the causes of the unsatisfactory performance have been remedied,
- (c) bring any action at law or in equity for damages, equitable relief or any other remedy,
- (d) terminate this Agreement in its entirety, or
- (e) terminate this Agreement as to one or more Properties with respect to which Manager is specifically in default.

10.4 Termination. This Agreement may be terminated by mutual consent of the Parties or for no cause by either Party. If terminated by one of the Parties, at least one hundred eighty (180) days prior written notice must be given to the other Party. Should a dispute arise regarding the remedy defined in 10.3(b) and continue for more than 30 days the Manager shall have the right to notice the Owner and no fees will be deducted between then and when the Owner finds a replacement Manager, in no case longer than the 180 days stated here.

10.5 Final Accounting. Upon termination of this Agreement for any reason, Manager shall deliver to owner all records, paper and electronic, original contracts, original leases, revenue recapture files, receipts for deposits, unpaid bills, and other information or documents which pertain to the Property to be delivered immediately upon such termination.

ARTICLE 11. CONFIDENTIALITY, COMPETITION

11.1 Confidentiality. Manager and its officers, directors, employees, agents and affiliates shall not reveal any information regarding the financial condition or operations of the Property or Owner without the prior written approval of Owner. Should information be available in the public domain or required by any governmental agency it is not covered by this Article 11.

11.2 Data Practices. The parties acknowledge that Owner is subject to the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13 (the "Act"). Manager shall abide by the provisions of the Act as so required by law. If and to the extent that the Manager or any of its consultants creates, collects, receives, stores, uses, maintains or disseminates data because it performs functions of Owner under this Agreement, then Manager (and its consultants) must comply with the requirements of the Act as if it were a government entity, and may be held liable under the Act for noncompliance. Owner shall designate the data to be provided by Manager when required to respond to any data requests under the Act. Manager agrees to promptly notify Owner if it becomes aware of any data requests, potential claims, or identified facts giving rise to potential claims, under the Act. Manager will require that its agreement with any consultant complies with this Section and the Act.

11.2 Competition. Manager agrees, by reason of its fiduciary capacity, not to solicit any tenant of the Property for the leasing and occupancy of any commercial or residential space in any building not owned by Owner, without the prior written consent of Owner.

11.3 Rebates. All trade discounts, rebates and refunds, and all returns from sale of surplus materials and equipment shall accrue to Owner, and Manager shall make provisions so that they can be secured.

ARTICLE 12. NOTICES

12.1 Notices. All notices, demands, consents, and reports provided for in this Agreement shall be in writing and shall be given to Owner or Manager at the address set forth below or at such other address as they individually may specify hereafter in writing:

Owner: City of South St. Paul
125 3rd Ave. N.
South St. Paul, MN 55075
Attn: City Administrator

Manager: Nath Management, Inc.
900 East American Boulevard
Bloomington, MN 55420
Attn: Director of Real Estate
Attn: Shalini Nath-Walia, VP and Treasurer

Such notices or other communications shall either be mailed by United States registered or certified mail, return receipt requested, postage prepaid, or delivered by hand. For purposes of this Agreement, notices will be deemed to have been “given” upon personal delivery thereof or forty-eight (48) hours after having been deposited in the United States mails as provided above.

ARTICLE 13. INFORMAL DISPUTE RESOLUTION

13.1 Informal Resolution Efforts. In the event that a dispute arises between the parties as to the interpretation or performance of this Agreement, then upon written request of either party, representatives with settlement authority for each party shall meet in person within thirty (30) days of the receipt of such written request and confer in good faith to resolve the dispute.

13.2 Mediation. Subject to Section 10.3, disputes unable to be resolved under Section 13.1 shall be submitted to mediation within thirty (30) days of the written request of one party, or upon such time as mutually agreed by the parties. The parties may agree on one mediator, whose costs will be borne by the parties equally.

ARTICLE 14. MISCELLANEOUS

14.1 Assignment. This Agreement and all rights and obligations hereunder shall not be assignable by Manager.

14.2 Consent and Approvals. Required consents or approvals by Owner may be given only by representatives of Owner from time to time designated in writing by Owner. All such consents or approvals shall also be in writing.

14.3 Amendments. Except as otherwise provided herein, any and all amendments, additions, or deletions to this Agreement shall be null and void unless approved by the parties in writing.

14.4 Headings. All headings herein are inserted only for convenience and ease of reference and are not to be considered in the construction or interpretation of any provision of this Agreement.

14.5 Representations. Manager represents and warrants that it is fully qualified and licensed, to the extent required by law, to manage real estate and perform all obligations assumed by Manager hereunder. Manager agrees to comply with all such laws now or hereafter in effect.

14.6 Indemnification by Manager. With the exception of Property Managers Professional Liability and to the extent not covered by insurance of Owner or in excess of Liability policies carried by Owner, Manager shall indemnify, defend and hold Owner harmless from and against any and all claims, causes of action, liabilities, losses or damages that may be asserted against Owner as a result of Manager's failure to act in accordance with the terms of this Agreement. Owner shall be entitled to recover from Manager its costs of litigation and reasonable attorneys' fees if Owner incurs such costs and fees due to Manager's failure to act in accordance with the terms of this agreement.

14.7 Indemnification by Owner. Owner agrees to indemnify, defend and hold Manager harmless from liability arising out of or in connection with the Property, unless such liability is as a result of the gross negligence or willful misconduct of Manager, or would fall under the Property Managers Professional Liability coverage for related operations.

14.8 It is expressly understood and agreed that the provisions contained in this Section shall survive the termination of this Agreement to the extent the cause arose prior to such termination.

14.9 Cooperation. Should any claims, demands, suits, or other legal proceedings be made or instituted by any person against Owner which arise out of any of the matters relating to this Agreement, Manager shall give Owner all pertinent information and reasonable assistance in the defense or other disposition thereof. Should any claims, demands, suits or other legal proceedings be made or instituted by any person (other than Owner) against Manager which arise out of any of the matters relating to this Agreement, Owner shall give Manager all pertinent information and shall reasonably cooperate (at no cost or expense to Owner) in the defense or other disposition thereof; but nothing herein shall be deemed to modify, affect or impair the obligations of Manager set forth in Section 14.6.

14.10 Complete Agreement. This Agreement supersedes and takes the place of any and all previous management agreements entered into between the parties hereto relating to the subject matter hereof, and any prior negotiations or oral understandings between the parties.

14.11 Attorneys' Fees. If a party shall default under any of the provisions of this Agreement, and the non-defaulting party shall employ attorneys or incur other reasonable expenses for the collection of payments due hereunder, or for the enforcement of performance or observance of any obligation or agreement contained in this Agreement, the defaulting party will on demand therefor reimburse the non-defaulting party for the reasonable fees of such attorneys and such other reasonable expenses so incurred.

14.12 Waiver. The waiver by either party of a breach of any provision of this Agreement shall not operate as or be construed to be a waiver of any subsequent breach thereof. No delay on the part of either party in the exercise of any right, power, or remedy shall exist or be effective unless such waiver is made in writing and signed by the party to be bound thereby. All rights and remedies under this Agreement shall be cumulative. The exercise of any right, power, or remedy hereunder or under applicable law shall not be deemed an election of remedies or waiver of any other right.

14.13 Severability. If any term, conditions, covenant, or provision of this Agreement, for any reason and to any extent, shall be or be declared or determined to be invalid or unenforceable, then such term, condition, covenant, or provision shall be severed from this Agreement and nothing contained in such term, condition, covenant, or provision and nothing in the application of such term, condition, covenant, or provision to other terms, conditions, covenants, provisions, persons, or circumstances shall in any way affect any other part of this Agreement, all of which shall be enforceable to the maximum extent permitted by law.

Exhibits A, B and C are incorporated herein and are made part of this Agreement

[remainder of page intentionally blank]

IN WITNESS WHEREOF, the Owner and Manager have executed this Management Agreement as of the day and year first above written.

SOUTH ST. PAUL ECONOMIC DEVELOPMENT AUTHORITY

President James P. Francis

Executive Director Ryan Garcia

NATH MANAGEMENT, INC.

By:
Its:

EXHIBIT A

INSERT PERFORMANCE MATRIX CHART

EXHIBIT B

**PROPERTY MANAGER
INSURANCE AND INDEMNIFICATION REQUIREMENTS**

INDEMNITY/GENERAL PROVISIONS

Property Manager

- All insurance provided by Property Manager, except Professional Liability, EPL, Crime, and Cyber, shall include a Waiver of Subrogation in favor of Owner
- All contracts with subcontractors and service providers shall be let in the name of the Property Manager (not owner entity) and in compliance with Vendor/Contractor/Service Provider Insurance and Indemnification Requirements. Owner to enjoy same contractual risk transfer protections afforded to Agent.
- Certificates of Insurance shall be provided to Owner, reflecting all coverage requirements, and including 30-day written notice of cancellation to Owner, excepting cancellation for non-payment of premium, in which case, written notice shall be 10 days.

PROPERTY MANAGER'S INSURANCE COVERAGE

Coverage

Purpose / Requirement

Property

Provide coverage for Property Manager-owned office contents on premises, if any. Coverage terms to include:

- Limit of Insurance: May Vary
- Special Causes of Loss Form
- Replacement Cost

Any deductible is to be borne by Property Manager.

Hired & Non-Owned Auto Liability

Provide coverage for autos owned or hired by Property Manager, including employer's Non-Owned Auto Liability. Minimum limits as follows:

\$1,000,000 Combined Single Limit for Any Owned, Non-Owned or Hired Autos

Any deductible is to be borne by Property Manager.

Workers Compensation and Employers Liability

Provide coverage for all employees as well as potentially uninsured sub-contractors hired by Property Manager for work on Owner's premises.

- Workers Compensation – Statutory Limits

- Employers Liability - \$500,000
- Waiver of Subrogation for Owner – to be included

Umbrella Liability

Provide coverage in excess of primary limits for Property Manager’s General Liability, Auto Liability and Employers Liability

- Each Occurrence: \$1,000,000
- Annual Aggregate: \$1,000,000

Property Managers Professional Liability

Errors & Omissions liability coverage for professional services of the Property Manager as usual to operations and detailed in the Property Manager Agreement including Vicarious Liability coverage for Owner but only as respects wrongful acts by Agent. Any deductible is to be borne by Property Manager.

Each Occurrence and Annual Aggregate: \$1,000,000

Employment Practices Liability

Liability coverage for loss arising out of any actual or alleged wrongful termination, discrimination sexual harassment or any other violation of statutory or common law relation to employment; including third-party discrimination and Vicarious Liability coverage for Owner but only as respects wrongful acts by Agent. Any deductible/retention is to be borne by whoever causes the loss.

Each Occurrence and Annual Aggregate: \$1,000,000

Commercial Crime Coverage

Employee Dishonesty coverage for loss arising from theft, fraud or embezzlement by Property Manager’s employees. Owner shall be included as a Loss Payee.

- Employee Dishonesty Coverage – Amount equal to 12 month’s rental income
- Third-Party Endorsement – to be included
- Money & Securities, On Premises - \$10,000
- Money & Securities Off Premises - \$5,000

Any deductible is to be borne by Property Manager.

Cyber Liability

Security and Privacy Liability including Notification Costs, Crisis Management and Regulatory Fines, Legal and Defense Costs. Deductible/Retention is to be borne by Property Manager. Property Manager to indemnify Owner for covered Damages and Claims Expenses as required by written contract.

- Policy Aggregate Limit - \$1,000,000
- Crisis Management and Public Relations
Sub-Limit - \$250,000

Any deductible is to be borne by Property Manager.

EXHIBIT C

VENDOR / CONTRACTOR / SERVICE PROVIDER INSURANCE AND INDEMNIFICATION REQUIREMENTS

INDEMNITY LANGUAGE

With the exception of the sole negligence of Owner or Agent and to the fullest extent permitted by law, the Vendor / Contractor / Service Provider shall indemnify, defend, and hold harmless Agent and Owner and other parties as to be determined by Agent and Owner and agents and employees of any of them from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Work or services, but only to the extent caused in whole or in part by negligent acts or omissions of the Vendor / Contractor / Service Provider, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss or expense is caused in part by a party indemnified hereunder. Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity which would otherwise exist as to a party or person described in this Paragraph

INSURANCE REQUIREMENTS

Prior to the commencement of any work, Vendor / Contractor / Service Provider shall secure, purchase and maintain, at its own expense, the following types of insurance coverage and limits of liability. These insurance requirements and the obligations of the indemnification agreement that is part of this contract shall also apply to anyone hired by Vendor / Contractor / Service Provider to Work under this agreement.

- Commercial General Liability – ISO CG 00 01, Occurrence Basis, most recent edition date or its equivalent:
 - Each Occurrence - \$1,000,000
 - General Aggregate - \$2,000,000
 - CG 25 04, Designated Location(s) General Aggregate Limit or its equivalent required for organizations with 3 or more locations. For contractors, the CG 25 03, Designated Construction Project(s) General Aggregate Limit, or its equivalent is required.
 - Personal & Advertising Injury - \$1,000,000
 - Products/Completed Operations - \$2,000,000
 - Medical Expense Limit - \$5,000
 - Fire Damage Limit - \$100,000

Additional General Liability Requirements:

- Contractual Liability – the CG 00 01 or its equivalent form definition of "insured contract" shall not be amended, limited or excluded
 - No limitations or exclusions regarding the scope of services outlined in the contract
- Professional Liability (*as needed*)
 - Each Professional Incident Limit - \$5,000,000
 - Aggregate Limit - \$5,000,000

- Pollution Liability (any vendor, contractor or service provider working with hazardous materials shall be required to carry separate pollution liability)
 - Each Pollution Incident Limit - \$1,000,000
 - Aggregate Limit - \$2,000,000
- Owned Automobile Liability Insurance - \$1,000,000 Each Occurrence (Symbol 1 Coverage)
 - If no owned automobiles, Hired & Non-Owned Auto Liability - \$1,000,000 Limit of Liability (Symbol 8 & 9)
 - For service and/or maintenance contracts ensure Auto policy covers motor vehicles adapted for certain business operations such as snow removal, landscaping, cherry pickers or similar devices, etc.
- Workers Compensation Insurance** with minimum Employers Liability Limits* of:
 - Bodily Injury By Accident - \$1,000,000 Each Accident
 - Bodily Injury By Disease - \$1,000,000 Policy Limit
 - Bodily Injury by Disease - \$1,000,000 Each Employee

**Higher limits may be required and achieved in combination with an Umbrella or Excess Liability policy.*
- Umbrella or Excess Liability – Occurrence Basis. To follow form with all terms and conditions of all primary policies.
 - Each Occurrence - \$5,000,000*
 - Policy Aggregate - \$5,000,000*

Additional Insured

Additional Insured status in the name of the Agent and Owner and all their respective affiliates, subsidiaries, successors, directors, officers, employees and agents and any other party as required by Agent and Owner must be endorsed on the Vendor / Contractor / Service Provider's General Liability, Automobile and Excess/Umbrella Liability policy.

Coverage for additional insured must be both for ongoing and completed operations*.

Acceptable Endorsements for Ongoing & Completed Operations Include:

- *CG 20 10 (11/85 Edition Date) - Additional Insured – Owners, Lessees or Contractors (Form B) or its equivalent or the CG 20 26- Additional Insured – Designated Person or Organization (11/85, 7/04 and 4/13 Edition Dates) are acceptable*
- *CG 2010 (7/04, 4/13 Edition Date) AND the CG 20 37 (7/04, 4/13 Edition Date) Additional Insured – Owners, Lessees or Contractors - Completed Operations or their equivalent*

**Additional Insured Status for Completed Operations to be provided for 2 years post completion of contracted service.*

The additional insured endorsement will be primary & non-contributory to Agent and Owner and all their respective affiliates, subsidiaries, successors, directors, officers, employees and agents.

Additional Insured status can also be provided on Pollution Liability and Network Security and Privacy Liability if those coverages are deemed applicable.

Waiver of Subrogation

Waiver of Subrogation in favor of Agent and Owner and all their respective affiliates, subsidiaries, successors, directors, officers, employees and agents and any other party as required by Agent must be endorsed on the Vendor / Contractor / Service Provider's Workers Compensation, General Liability, Automobile Liability and Umbrella Liability policies. If applicable, Waiver of Subrogation should also be provided on Pollution Liability, Crime, Network Security and Privacy Liability and Professional Liability.

Certificates of Insurance

Upon contract award, the Vendor / Contractor / Service Provider shall furnish a certificate of insurance to show that the insurance specified in this contract is in force, stating policy numbers, dates of expiration, limits of liability and coverage there under. Certificates of Insurance to be provided on an annual basis to Agent and Owner and all their respective affiliates, subsidiaries, successors, directors, officers, employees and agents and any other party as required by Agent and Owner.

Deductible

Vendor / Contractor / Service Provider shall be responsible, at no additional cost to Agent and Owner and all their respective affiliates, subsidiaries, successors, directors, officers, employees and agents and any other party as required by Agent and Owner for the payment of any associated deductibles or self-insured retention in connection with the coverage outlined in this e-mail. Any self-insured retentions or deductible in excess of \$25,000 must be declared at the time of Vendor / Contractor / Service Provider's annual insurance renewal and specifically approved by Agent and Owner and all their respective affiliates, subsidiaries, successors, directors, officers, employees and agents and any other party as required by Agent and Owner prior to execution of the Contract.

Minimum A.M. Best Rating of insurance carriers to be A-