

MANAGEMENT AGREEMENT

AGREEMENT, made as of _____, 2016, between TOWN OF ISLIP AFFORDABLE HOUSING CORP, a NOT-FOR-PROFIT corporation, having an address at 963 MONTAUK HIGHWAY, OAKDLAE, NEW YORK, 11769 ("Owner"), and THE TOWN OF ISLIP HOUSING AUTHORITY, a MUNICIPAL HOUSING AUTHORITY AND PUBLIC corporation, having an address at 963 MONTAUK HIGHWAY, OAKDALE, NEW YORK, 11769 ("Manager").

WHEREAS, Owner owns the premises known as RAD PBV PROJECT PENATAQUIT VILLAGE/ALLYN P ROBINSON, AND SMITH AVE SECTION 8 PBV in the TOWN OF ISLIP, New York (the "Premises"); and

WHEREAS, Owner desires to appoint Manager as an independent contractor to operate and manage the Premises;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, Owner and Manager agree as follows:

1. Appointment of Manager

Owner hereby appoints Manager as the sole and exclusive renting and managing agent of the Premises, upon the terms and conditions hereinafter set forth. Manager hereby accepts such appointment and agrees to perform its duties hereunder in a careful and diligent manner. Manager shall not have the authority to assign any of the rights or responsibilities under this Agreement.

2. Renting

Manager shall use its best efforts to rent vacant space and to keep the Premises rented to eligible tenants.

Manager shall advertise the Premises for rent to tenants, display "For Rent" and similar signs, and prepare circular matter and other forms of advertising as may be appropriate.

Manager may execute leases for all rental units at the Premises and renewals and amendments thereof. The leases and such renewals and amendments shall be in form and substance approved by Owner.

3. Collection of Rents

Manager shall use due diligence to collect all rents from the Premises and to enforce the leases thereof.

4. Services

Manager or its agents shall perform all services which are to be performed for the tenants of the Premises pursuant to their leases, and shall operate and maintain all facilities through which such services are rendered. Manager shall handle all complaints made by any tenants or others in connection with the rental, management, operation and maintenance of the Premises.

Manager is authorized to enter into contracts for electricity, gas, water, telephone, cleaning, extermination and other utilities and services required to be delivered to the tenants of the Premises pursuant to their leases or customarily provided with respect to property similar to the Premises.

Manager may make, or cause to be made, such ordinary repairs and alterations as are reasonably necessary for the efficient operation and maintenance of the Premises. Where the costs of any single such expenditure or any extraordinary repair or alteration would exceed \$20,000.00, the prior written consent of Owner shall be required except in an emergency.

Manager shall have full authority to operate the premises, including, but not limited to, maintenance repair, administrative requirements related to any subsidy programs, capital improvement implementation and execution, administer grant funds received from any entity authorized by the Board of the Owner, including but not limited to CDBG_DR funds received by Owner or Manager as a sub recipient and use those funds to improve the properties whether the funds are awarded to Manager or Owner, Manager has full authority to carry out the terms and requirements of the CDBG-DR grant projects for generators at Ockers gardens and Drainage improvements at Penataquit Village. Manager may accept such funds and utilize them exclusively for the betterment of the Owners properties and premises.

Manager shall administer all subsidy requirements related to the RAD PBV program and or the Section 8 Housing Choice Voucher PBV program, HCR Regulatory and Operating Agreement comply with all applicable regulations, such as, but not limited to, Fair Housing requirements, accomadations as required by applicable laws, etc. Manager shall be bound and obligated to comply with all requirements and adhere to all regulatory requirements and lawful requirements that the Owner is subject to as a result of the RAD PBV and or S8 PBV contracts, closing documents or otherwise applicable to the owner as if the Manager were the entity executing the documents. All such documents and requirements imposed on the Owner by HUD

and or the regulatory documents are incorporated herein by reference and shall be attached to this management agreement.

5. Employees

Manager shall hire, supervise and discharge all service personnel and other employees reasonably necessary or advisable for the operation, administration, capital improvements and maintenance of the Premises. Manager shall use reasonable care in the hiring of employees, and agrees that all employees shall be reasonably skilled and trained in the duties for which they are employed. All employees of Manager who handle, deal with or are responsible for Owner's funds shall be covered by a fidelity bond in an amount not less than \$250,000 in form and substance satisfactory to Owner acting reasonably.

Manager shall calculate all payrolls and shall prepare and file all applicable reports and forms for withholding F.I.C.A. and other taxes required by federal, state and local governmental authorities. Manager at all times shall comply with all laws and regulations pertaining to the hiring, discharge and compensation of employees. Manager shall carry worker's compensation insurance covering said employees.

Owner shall bear the costs of employing all such employees to the extent their services pertain to operation and management of the Premises, including all wages, salaries, social security and similar taxes and employee benefits, provided such costs do not exceed the amounts ordinarily paid to similar employees in the area. Manager, however, shall bear the cost of salaries and compensation to executive personnel. If any personnel devote time to any property other than the Premises, their compensation and expenses shall be appropriately allocated.

6. Insurance

Unless otherwise directed by Owner, Manager shall procure and maintain general liability insurance, fire insurance and such other insurance with respect to the Premises as is customarily maintained for similar property and as required by the RAD PBV closing documents. Owner shall be designated as an insured party under such insurance. Owner shall bear the cost of such insurance.

Promptly after the execution of this Agreement and prior to the expiration of any existing insurance relating to the Premises, Manager shall submit to Owner a list of the kinds and amounts of insurance Manager recommends Owner maintain in connection with the Premises, and a list of all insurance required to be maintained by Owner under any mortgage or lease affecting the Premises. The certificates of each insurance policy shall be delivered to Owner.

Manager promptly shall give to Owner and to the insurance carriers notice of any loss or claim pertaining to the Premises and shall cooperate with Owner in the investigation of and defense of all such losses and claims.

7. Compliance With Laws and Agreements

Manager, in connection with the operation, management, maintenance or repair of the Premises, at all times shall comply with all applicable laws, ordinances, statutes, rules and regulations of all federal, state and local governmental authorities having or claiming jurisdiction over the Premises, as well as all orders and requirements of boards of fire underwriters or other bodies exercising similar functions.

Manager shall at all times comply with all terms, covenants and conditions of any lease, mortgage, grant, CDBG-DR, subsidy funding, ACC or other agreement executed by Owner or Manager in connection with the operation, management, maintenance, capital improvements or repair of the Premises. Manager promptly shall forward to Owner copies of all notices, demands or other communications given to, or received from, any party to any such lease, mortgage or agreement.

8. Receipts and Disbursements

All rent, additional rent, concession fees and other receipts from the Premises shall be collected by Manager and deposited in a bank insured by the Federal Deposit Insurance Corporation in a separate account maintained by Manager for the Premises. No receipts from the Premises shall be mingled with other funds of Manager. All accounts shall be properly collateralized utilizing the HUD required Depository Agreement as required by Owner and the RAD program requirements.

Owner hereby authorizes Manager to withdraw funds from the bank account maintained by Manager for the Premises, and to disburse such funds in payment of costs and expenses incurred in connection with the management, operation, maintenance and repair of the Premises in accordance with this Agreement. Manager shall remit to Owner each month the receipts from the operations of the Premises, less disbursements and appropriate reserves.

Unless otherwise directed by Owner, Manager shall pay all debt service on mortgages affecting the Premises, insurance premiums, real estate taxes, assessments, water charges and sewer rents, permit and other fees due governmental authorities, court disbursements, legal fees and other items customarily disbursed by managing agents, incurred with respect to the Premises. Neither Manager nor any person, corporation or other entity affiliated with or related to Manager shall receive, directly or indirectly, any compensation, consideration or profit other than as provided for in this Agreement or otherwise agreed to by Owner.

9. Records and Reports

Manager shall maintain complete and create accurate records and books of account regarding every transaction pertaining to the rental, management, operation, maintenance and repair of the Premises. Said records and books shall be kept in the office of Manager situated at the Premises, or at Owner's discretion, at its principal place of business. Said records and books shall at all reasonable times be open to inspection and audit by Owner or its agents, who may make copies thereof. Manager shall provide to Owner monthly reports detailing the operations of the Premises during the preceding month in a form acceptable to Owner. Manager shall provide to Owner annual reports of the income and expenses of the operations of the Premises, showing the sources and application of all funds, prepared in accordance with generally accepted accounting principles on a cash basis.

All reports of Manager shall be certified by Manager to be true and correct. Manager, at its own expense, shall provide all bookkeeping and clerical services incident to the efficient operation and management of the Premises.

10. Compensation of Manager

Owner agrees to pay to Manager each month during the term of this Agreement, a management fee equal to an amount to cover all of the Managers costs and expenses related to the operation of the Premises, but not more than the net difference between the RAD/HUD required replacement reserve deposit and the operating reserve requirements of the gross receipts from the Premises. The Manager shall receive all S8 Administrative fees associated with the operation and administration of the Premises.

The term "Gross Receipts" shall mean the aggregate of all revenues and income derived directly or indirectly from the operation of the Premises determined on a cash basis in accordance with generally accepted accounting principles. Gross Receipts shall include without limitation, grants, admin fees, subsidy, all rentals or other payments received from tenants, occupants and concessionaires; proceeds from any use and occupancy insurance; and security deposits when forfeited and applied to rent. Gross Receipts shall exclude federal, state and local sales, use and excise taxes collected; proceeds of a sale or condemnation of the Premises; proceeds of any financing or refinancing of the Premises; insurance proceeds paid on account of damage or destruction of the Premises; other items which are normally characterized as capital receipts; and bad checks and other uncollected sums.

Computations of management fees shall be made on a fiscal year basis. Computations for partial fiscal years at the commencement and termination of this Agreement shall be on a pro rata basis.

There will be no separate commission or charge payable to Manager for leasing of rental units by Manager.

11. Term of Agreement

The term of this Agreement shall commence on the date first above written, and shall continue until October 31, 2036, unless sooner terminated as hereinafter provided.

Upon the occurrence of any event of bankruptcy or insolvency with respect to Manager, Owner may terminate this Agreement by ten days notice to Manager.

12. Notices

Any notices, demands and other communications required or desired to be given hereunder shall be in writing and shall be deemed properly given if sent by registered or certified mail, return receipt requested, addressed to the party to which same is to be given at its address first above written, or at such other address as said party may designate by notice given pursuant to this Article 12.

13. Miscellaneous

Manager may not assign, subcontract or otherwise transfer this Agreement or any rights or duties hereunder, by operation of law or otherwise, without the prior written consent of Owner.

Manager shall be and function as an independent contractor in carrying out the terms, covenants and conditions of this Agreement. Nothing contained herein shall be construed to create the relationship of employer and employee between Owner and Manager.

All oral or written statements, representations, promises, understandings and agreements of the parties hereto are superseded by and merged into this Agreement, which alone fully and completely expresses their agreement.

This Agreement may not be altered, amended, changed, waived, terminated or modified in any respect or particular unless the same shall be in writing signed by each of the parties hereto. No waiver by any party of any breach hereunder shall be deemed a waiver of any other or subsequent breach.

This Agreement shall be governed by the laws of the State of New York. The captions in this Agreement are for convenience only and are not to be considered in construing this Agreement. If any provisions of this Agreement are invalid or unenforceable in any respect,

the validity and enforceability of the remainder of this Agreement shall not in any way be affected.

This Agreement shall be binding upon and inure to the benefit of the parties hereto and to their respective heirs, executors, administrators, successors and permitted assigns.

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

TOWN OF ISLIP AFFORDABLE HOUSING
CORP

ATTEST:

By _____
President

By _____
Secretary

TOWN OF ISLIP HOUSING AUTHORITY

ATTEST:

By _____
Chairman

By _____
Secretary

Acknowledgment for TOWN OF ISLIP AFFORDABLE HOUSING CORP:

STATE OF NEW YORK, COUNTY OF _____, ss.

On the _____ day of November, 2016, before me, the undersigned, personally appeared _____

_____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity, and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public
My commission expires on _____

Acknowledgment for TOWN OF ISLIP HOUSING AUTHORITY:

STATE OF NEW YORK, COUNTY OF _____, ss.

On the _____ day of November, 2016, before me, the undersigned, personally appeared _____

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MANAGEMENT AGREEMENT

dated November __, 2016

between

TOWN OF ISLIP AFFORDABLE HOUSING CORP

Owner

and

TOWN OF ISLIP HOUSING AUTHORITY

Manager
