

Mongil Corporation

Management Agreement

MANAGEMENT AGREEMENT

This Management Agreement ("Agreement") is hereby entered into on this 16th day of April, 2008 (hereinafter the "Effective Date") by and among the Parties as follows:

HOUSING AUTHORITY OF THE CITY OF LINDEN, a public entity located at 1601 Dill Avenue, Linden, New Jersey 07036; and

MONGIL CORPORATION, a nonprofit Corporation located at 1425 Dill Avenue, Linden, New Jersey 07036;

BACKGROUND

WHEREAS, the Housing Authority of the City of Linden (hereinafter "Housing Authority") is a public entity organized and existing pursuant to both Title 24 of the Code of Federal Regulations, the Department of Housing and Urban Development (HUD) and the laws of the State of New Jersey for the purpose of providing quality, affordable housing to low and moderate income seniors in New Jersey; and

WHEREAS, the Mongil Corporation (hereinafter "Mongil") is a nonprofit Corporation organized exclusively for charitable and/or educational purposes pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986 and is also in the business of sponsoring, promoting, and providing quality affordable housing to low and moderate income seniors throughout the State; and

WHEREAS, Mongil is responsible for the administration, management and operation of the resident building located at 1425 Dill Avenue in Linden, New Jersey known as the John T. Gregorio Towers; and

WHEREAS, the Housing Authority possesses expertise in the management, operation and administration of residential buildings and has all the necessary licenses and/or certifications required to perform its obligations and functions as set forth in this Agreement; and

WHEREAS, Mongil desires to utilize the Housing Authority's management expertise, and in particular, some of its personnel, to effectively and efficiently provide its residents with the highest quality management and maintenance services available; and

WHEREAS, as a result of on-going negotiations, the parties and their respective Boards have knowingly and voluntarily agreed to enter into this Management Agreement for the mutual beneficial interest of their respective residents;

NOW THEREFORE, in consideration of the terms, mutual covenants, promises, rights, duties, obligations and agreements contained herein and the sum of ONE (\$1.00) DOLLAR and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto mutually bind themselves, covenant and expressly stipulate as follows:

TERMS

Section 1.01 Term of Agreement. This Agreement shall be in effect for a period of twenty (20) years, beginning as of the Effective Date of this Agreement, subject, however, to the following conditions:

- a) This Agreement will not be binding upon the parties until approved by both the Housing Authority's Board of Commissioners and Mongil's Board of Trustees;
- b) This Agreement may be terminated by either party, for any reason, upon thirty (30) days prior written notice;
- c) Unless notice of termination is otherwise provided as indicated in subsection (b), this Agreement shall automatically renew at the expiration of each twenty (20) year period for an additional twenty (20) years.

Section 1.02 Management Services. Upon the execution of this Agreement, the Housing Authority shall provide Mongil with the following Housing Authority personnel and their respective services as indicated in the Housing Authority's Personnel Policy:

- a) A Housing Manager;
- b) An LPL Laborer; and
- c) A Social Worker; and
- d) President; and
- e) Vice President.

In each case, the Housing Authority shall only be obligated to provide such personnel to the extent that such services for Mongil do not interfere with its own ability to carry out its own management services needs.

Section 1.03 Compensation. In exchange for the services provided pursuant to **Section 1.02** and any other provision of this Agreement, Mongil shall pay the Housing Authority on a dollar for dollar basis for the percentage of work each of the above personnel provides for Mongil. For instance, if the Housing Manager spends one-half of his or her work time, or 50% of his or her time, working for Mongil, then Mongil agrees to reimburse the Housing Authority for one-half, or 50%, of his or her salary.

Section 1.04 Additional Personnel. In the event that Mongil is in need of any personnel in addition to that indicated in **Section 1.02**, the Housing Authority shall provide such, only when available pursuant to an evaluation of its own service needs, in exchange for Mongil's agreement to pay for the percentage of work conducted as detailed in **Section 1.03**.

Section 1.05 Personnel's Status as Housing Authority Employee. All personnel subject to this Agreement shall be considered and shall remain employees of the Housing Authority. As such, the Housing Authority shall provide all personnel with their respective compensation packages, as provided in the Personnel Policy, and as such shall be responsible for

the issuance and/or payment of all employee salaries, benefits, etc. As such, Mongil has no authority to hire, terminate, and/or directly compensate any personnel subject to this Agreement.

However, upon the execution of this Agreement, and throughout its duration, Mongil shall have the authority to direct such personnel, upon such personnel's allocated work time with Mongil, to fulfill its service needs so long as such work is contemplated within the individual personnel's qualifications and duties.

Section 1.06 Independent Management of the Corporation. This Agreement is strictly limited to fulfill Mongil's need for qualified personnel to efficiently and effectively serve the residents of the Mongil Corporation. Therefore, Mongil shall continue to independently manage its operations, accounts, properties, etc. and any and all personnel decisions made on behalf of Mongil will be subject to approval by its personnel and the Board of Trustees. In no way shall this Agreement be construed as subjecting Mongil to the managerial control of the Housing Authority, its independent personnel, or its independent Board of Commissioners, and all managerial decisions shall be made independently.

As such, the parties further expressly agree that neither party shall be responsible for any and all managerial decisions made by the other party and shall not in any way be responsible for any legal claims, judgments, debts, etc. incurred by the other party.

Section 1.07 Default. In the event that Mongil shall fail to provide the Housing Authority with the appropriate compensation as contemplated herein, and as based upon the individual personnel's percentage of time devoted to Mongil and their individual salary, wages, and benefits, the Housing Authority shall have the right to immediately terminate this Agreement without prior written notice and shall maintain its right to make any lawful claims it may have.

Section 1.08 Notices. Any and all notices contemplated pursuant to this Agreement, and/or payments to be made shall be made to the following addresses:

For the Housing Authority of the City of Linden:

Ann J. Ferguson Towers
1601 Dill Avenue
Linden, New Jersey 07036

For the Mongil Corporation:

John T. Gregorio Towers
1425 Dill Avenue
Linden, New Jersey 07036

Section 1.09 Entire Agreement. This agreement shall be binding on and inure to the benefit of the parties and their respective legal representatives, successors, and assigns. This agreement embodies the entire agreement of the parties in respect to the subject matter herein.

This document supersedes all previous communications, representations, or agreements, either verbal or written, between the parties.

Section 1.10 Multiple Counterparts. This Settlement Agreement may be executed in multiple counterparts and shall be fully valid, legally binding and enforceable, whether executed in a single document or in counterparts.

Section 1.11 Full Force and Effect. If any term or condition of this Settlement Agreement or any application of this Settlement Agreement shall be determined to be contrary to the laws of the State of New Jersey or the United States, then such term or condition or application shall not be deemed valid except to the extent permitted by law, but all other terms or conditions or applications shall continue in full force and effect.

IN WITNESS WHEREOF, this Management Agreement is executed and sworn as follows:

Dated: 04-16-08


Edward Melloe
Chairman of the Board of Commissioners
Housing Authority of the City of Linden

Dated: 04-16-08


Ann J. Ferguson, PHM
President
Mongil Corporation

