

MANAGEMENT AGREEMENT

THIS AGREEMENT, made this as of this 25th day of August 2022 by and between 45 River Road Urban Renewal Associates, L.L.C., a New Jersey limited liability company, having an address of 125 River Road, Suite 301, Edgewater, New Jersey 07020 (the "Owner") and DFT Property Manager, LLC, a New Jersey corporation, having an address of 125 River Road, Suite 301, Edgewater, New Jersey 07020 (the "Manager").

RECITALS:

WHEREAS, Owner owns the residential building located at 45 River Road, Edgewater, New Jersey 07020 (the "Project");

WHEREAS, the Owner desires to employ Manager to manage, operate and maintain the Project: and

WHEREAS, Manager is willing to furnish such services, all subject to the terms, and conditions and covenants set forth in this agreement and

NOW, THEREFORE, for and in consideration of the Mutual covenants contained herein, it is agreed as follows:

1. TERM

The Owner hereby employs the Manager exclusively to manage, operate and maintain the Project upon the terms hereinafter set forth for one (1) year beginning on the date hereof.

At the expiration of the express term hereof, this Agreement shall automatically continue and renew for a similar term unless a written notice of termination is given by either party ninety (90) days prior to the end of the current term.

2. COMPENSATION

The Owner shall pay the Manager a fee (the "Management Fee"), payable monthly in arrears, in the amount equal to Two- and One-Half Percent (2.5%) of gross rent collections for such month. Exclusive of the Management Fee, Owner shall pay all reasonable salaries, wages and other compensation of personnel employed by Manager, necessary to manage and maintain the Project as a luxury multifamily apartment building, to be paid out of the cashflow from the Project when it becomes due and payable as per the "List of Employees" in **Schedule A** attached hereto.

3. DUTIES OF MANAGER

The Manager accepts the employment and agrees to assume and perform all of the management operational and maintenance duties requires for the proper management of a residential complex located in Bergen County, New Jersey, including, but not limited to, the following duties and obligations:

- a. Rentals. The Manager will offer for rent the dwelling units, and other rental facilities and concessions of the Project. Incident thereto, the following provisions will apply:
 - i. The Manager will show the premises to prospective tenants.

- ii. The Manager will take and process applications for rentals. If an applicant is rejected, the applicant will be told the reason for rejection, and the rejected application, with reason for rejection noted thereon, will be kept on file for one (1) year. A current list of prospective tenants will be maintained.
 - iii. The Manager will prepare all dwelling leases and will execute the same in its name, identified thereon as Manager for the Owner. The terms of all leases will comply with all applicable state and local laws and any directives of the Owner. Dwelling leases will be in a form approved by the Owner, but individual dwelling leases need not be submitted for the approval of the Owner.
 - iv. The Owner will furnish the Manager with rent schedules showing basic rents for dwelling units and other charges for facilities and services. In no event will such rents and other charges be in excess of the "maximum monthly gross rent for living units" as approved by the Owner from time to time.
 - v. The Manager will collect, deposit, and disburse security deposits, if required, in accordance with the terms of each tenant's lease. Security deposits will be deposited by the Manager, separate from all other accounts and funds, with a bank or other financial institution whose deposits are insured by an agency of the United States Government. This account will be carried in the Manger's name and be designated of record as "Security Deposit Account".
- b. Collection of Rents and Other Receipts. The Manager will collect when due all rents, charges and other amounts receivable on the Owner's account in connection with the management and operation of the Project. Such receipts (except for tenants' security deposits, which will be handled as specified in subsection 3.a.v above) will be deposited in an account, separate from all other accounts and funds, with a bank whose deposits are insured by the Federal Deposit Insurance Corporation. This account will be carried in the Manager's name and designated of record as "Operating Account".
- c. Enforcement of Leases. The Manger will secure full compliance by each tenant with the terms of his lease. Voluntary compliance will be emphasized, and the Manager will counsel tenants and make referrals to community agencies in cases of financial hardship or under other circumstances deemed appropriate by the Manager, to the end that involuntary termination of tenancies may be avoided to the maximum extent consistent with sound management of the Project. Nevertheless, the Manager may lawfully terminate any tenancy when, in the Manager's judgement, sufficient cause (including but not limited to non-payment of rent) for such termination occurs under the terms of the tenant's lease. For this purpose, the Manager is authorized to consult with legal counsel to be designated by Owner, to bring actions for eviction and to execute notices to vacate and judicial pleadings incident to such actions; provided, however, the Manager keeps Owner informed of such actions and follows such instructions as the Owner may prescribe for the conduct of any action. Subject to the Owner's approval, attorney fees and other necessary costs incurred in connection with such actions may be paid out of the Operating Account as Project expenses.
- d. Maintenance and Repair. The Manager will maintain the Project in good repair in accordance with

local codes, and in a condition at all times acceptable to the Owner, including but not limited to cleaning, painting, decorating, plumbing, carpentry, grounds care, and such other maintenance and repair work as may be necessary, subject to any limitations imposed by the Owner in addition to those contained therein. Incident thereto, the following provisions will apply:

- i. Special attention will be given to preventive maintenance and, to the greatest extent feasible, the services of regular maintenance employees will be used.
 - ii. Subject to the Owner's prior approval, the Manager will contract with qualified independent contractors for the maintenance and repair of air-conditioning systems and elevators, and for the extraordinary repairs beyond the capability of regular maintenance employees.
 - iii. The Manager will systematically and promptly receive and investigate all service requests from tenants, take such action as may be justified, and will keep records of the same. Emergency requests will be received and serviced on a twenty-four (24) hour basis. Complaints of a serious nature will be reported to the Owner after investigation.
 - iv. The Manager is authorized to purchase all materials, equipment, tools, appliances, supplies and services necessary for proper maintenance and repair.
 - v. Notwithstanding any of the foregoing provisions, the prior approval of Owner will be required for any expenditure which exceeds Five Thousand Dollars (\$5,000) in any one instance for labor, materials, or otherwise in connection with the maintenance and repair of the Project, except for recurring expenses within the limits of the operating budget or emergency repairs involving manifest danger to persons or property, or required to avoid suspension of any necessary service to the Project. In the latter event, the Manager will inform the Owner of the facts as promptly as possible.
- e. Utilities and Services. In accordance with the operating budget, the Manger will make arrangements for water, electricity, gas, fuel oil, sewage and trash disposal, vermin extermination, decorating, laundry facilities, and telephone services. Subject to Owner's prior approval, the Manager will make such contracts as may be necessary to secure such utilities and services.
- f. Disbursements from Operating Account.
- i. From the funds collected and deposited by the Manager in the Operating Account pursuant to subsection 3.b. above, the Manager will make the following disbursements promptly when payable:
 1. Reimbursement to the Manger for compensation payable to maintenance employees, and for the taxes and assessments payable to local, state, and federal governments in connection with the employment of such personnel.
 2. The debt service payment(s) required to be made monthly by the Owner to lender(s), including the amounts due under the mortgage for principal amortization, interest, mortgage insurance premium, ground rents, taxes and assessments, fire and other hazards insurance premiums, and the amount specified for allocation to the Reserve for Replacements.
 3. All sums otherwise due and payable by the Owner as expenses of the Project authorized to be incurred by the Manager under the terms of this Agreement, including compensation payable to the Manager for its service hereunder.

- ii. Except for the disbursements mentioned in subsection 3.b.i. above, funds will be disbursed or transferred from the Operating Account only as the Owner may from time to time direct in writing.
 - iii. In the event the balance in the Operating Account is at any time insufficient to pay disbursements due and payable under subsection 3.b.i. above, the Manager will inform the Owner of that fact and the Owner will then remit to the Manger sufficient funds to cover the deficiency. In no event will the Manager be required to use its own funds to pay such disbursements.

- g. Budgets. Annual operating budgets for the Project will be as approved by the Owner. Except as permitted under Subsection 3.d.v. above, annual disbursements for each type of operating expenses itemized in the budget will not exceed the amount authorized by the approved budget. The Manger will prepare a recommended operating budget for each fiscal year during the term of this Agreement, and will submit the same to the Owner at least thirty (30) days before the beginning of the fiscal year. The owner will promptly inform the Manger of any changes incorporated in the approved budget, and the Manager will keep the Owner informed of any anticipated deviation from the receipts of disbursements stated in the approved budget.

- h. Records and Reports. In addition to any requirements specified in other provisions of this Agreement, the Manger will have the following responsibilities with respect to records and reports:
 - i. The Manger will establish and maintain a comprehensive system of records, books and accounts in a manner conforming to the directives of the Owner. All records, books, and accounts will be subject to examination at reasonable hours by any authorized representative of the Owner.
 - ii. With respect to each fiscal year ending during the term of this agreement, the Manager will have an annual financial report prepared by a Certified Public Accountant or other persons acceptable to the Owner, based upon the preparer's examination of the books and records of the Owner and the Manger. The report will be prepared in accordance with the directives of the Owner, will be certified by the preparer and the Manager, and will be submitted to the Owner. Compensation for the preparer's services will be paid out of the Operating Account as an expense of the Project.
 - iii. The Manager will furnish such information (including occupancy reports) as may be requested by the Owner from time to time with respect to the financial, physical, or operational condition of the Project.
 - iv. By the fifteenth (15th) day of each month, the Manager will furnish the Owner with a monthly operations report package for the previous month, which will include a schedule of accounts receivable and payable.

- i. Tenant-Management Relations. The Manger will encourage good-faith communications with its residents.

4. ON-SITE MANAGEMENT FACILITIES.

Subject to the future agreement of the Owner and Manager as to more specific terms, the Manager will maintain a management office within the Project and a Team Member will reside in one of the dwelling units in the Project and the Owner will offer a discounted rental charge for the same.

5. INSURANCE.

The Owner will inform the Manager of insurance to be carried with respect to the Project and its operations, and the Manager will cause such insurance to be placed and kept in effect at all times. The Manager will pay premiums out of the Operating Account, and premiums will be treated as operating expenses. All insurance will be placed with such companies, on such conditions, in such amounts, and with such beneficial interests appearing thereon as shall be acceptable to the Owner, and shall be otherwise in conformity with the mortgage; provided that the same will include public liability coverage, with the Manger designated as one of the insureds, in amounts acceptable to the Manager as well as the Owner. The Manger will investigate and furnish the Owner with full reports as to all accidents, claims, and potential claims for damage relating to the Project, and will cooperate with the Owner's insurers in connection therewith.

6. COMPLIANCE WITH GOVERNMENT ORDERS.

The Manager will take such actions as may be necessary to comply promptly with any and all governmental orders or other requirements affecting the Project, whether imposed by federal, state, county, or municipal authority, subject, however, to the limitations stated above with respect to repairs. Nevertheless, the Manager shall take no such action so long as the Owner is contesting or has affirmed its intention to any such order or requirement. The Manager will notify Owner in writing of all notices of such orders or other requirements, within seventy-two (72) hours from the time of their receipt.

7. NONDISCRIMINATION.

In the performance fits obligations under this Agreement, the Manager will comply with the provisions of any federal, state or local law prohibiting discrimination in housing on the grounds of race, color, sex, creed, or national origin, including Title VI of the Civil Rights Act of 1964 (Public Law 88-352, 78 Stat. 241), all requirements imposed by or pursuant to the Regulations of the Secretary (24CFR, Subtitle A Part 1) issued pursuant to the Title: regulations issued pursuant to Executive Order 11063, and Title VIII of the 1968 Civil Rights Act.

8. ASSIGNMENT

This Agreement may not be assigned, except by Owner to its mortgage lender.

9. GENERAL

a. This Agreement shall constitute the Agreement between the contracting parties, and no variance or modification thereof shall be valid and enforceable except by supplemental agreement in writing executed and approved in similar manner as this Agreement.

b. This Agreement shall be binding upon the successors and assigns of the manager, and the heirs, administrators, executors, successors and assigns of the Owner.

IN WITNESS WHEREOF, the parties hereto have affixed or caused to be affixed their respective signatures as of this ___ day of August 2022.

OWNER:

45 River Road Urban Renewal Associates, LLC



By: Joseph A. Daibes, Its Managing Member

MANAGER:

DFT Property Manager, LLC



By: Rania Fragoso, Property Manager